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NATO: the Right Road to Peace

by Lord Ismay

Secretary-General of NATO¹

It is a great privilege for me to be permitted to address you, and through you to give an account to the American people of my stewardship as Secretary-General of the North Atlantic Treaty Organization (NATO). You may not be acutely aware of the fact, but the United States is one of my 14 masters, in my present capacity as an international servant of NATO, and I am very proud of the fact.

During the last war, I visited Washington on a number of occasions as Chief of Staff to Mr. Churchill. We were then working desperately hard to win the most costly, the most devastating war in history. Now, in peacetime, or what passes for peacetime today, we are all working together once more; but our object this time is to prevent a war which would be catastrophic for the whole world.

World Wars I and II casualties gave us a sample, a mere taste, of what the next world war would cost. Allied losses in World War I were more than 5 million killed. The French losses alone, over a million dead, were more than the United States have lost in all their wars.

The full balance sheet is not yet in, even now, on World War II. The total dead have been computed at more than 20 million, without counting an additional 20 million civilian dead from war-spread epidemics and famine. The financial cost was astronomical; far beyond the comprehension of the average man making out his income tax return, even though, in the long run, he is the one who pays. The figure is more than a million million dollars—I think you call it a trillion.

It is my conviction that it depends primarily upon ourselves; upon what we do or what we fail to do that will determine whether or not this disaster, which exceeds the capacity of man's imagination to grasp, is allowed to come to pass.

¹ Address made before the National Press Club, Washington, D. C., on Mar. 12.

The cost will be heavy not only to the taxpayers of the United States, but to the taxpayers of all their Allies. I submit, however, that if we succeed in deterring aggression the price we pay will be trivial. We shall indeed have bought a bargain.

We have two alternatives—either to make this united effort in full partnership together, or to proceed unwarily on the assumption that the Soviet will not attempt aggression. Our choice is clear.

Soviet Russia has already demonstrated its mastery of the Hitler technique of gobbling up its enemies one by one. One after another, Rumania, Bulgaria, Poland, Hungary, and finally Czechoslovakia were dragged behind the Iron Curtain. You have only to pick up a Communist paper anywhere or listen to a Communist broadcast to be aware of the frantic efforts that are being made to divide the members of NATO, and particularly to drive a wedge between the countries of Europe on the one hand, and the United States on the other. Because of latent prejudices and even some current but minor grievances on both sides, some of this propaganda unfortunately falls on fertile soil. We must be on guard against it at all times.

I would like to speak to you today about some of our work and some of our problems in NATO. First, I ought to say a few words about how we are getting on at NATO Headquarters. You will remember that at Lisbon two important decisions were taken on organization: One, that the Atlantic Council should be in permanent session in Paris, with effective powers of decision; and, two, that there should be a secretary general, assisted by an international staff.

In order to enable the Council to be in permanent session, each member country appointed a permanent representative. Ever since April we have been meeting, once or generally twice, a week. Of course, if there was any urgent problem for consideration we could meet on any day at a

moment's notice, just as a national cabinet does.

I want to emphasize that the Council have effective powers of decision. That is to say, the authority of the Council is not altered by the presence or absence of ministers. The permanent representatives can, of course, on instructions from their cabinets, take any decisions, however important.

Importance of Ministerial Meetings

Ministerial meetings are not necessarily summoned merely to decide important points, because the permanent representatives are quite capable of deciding them. But it is obviously right that the ministers principally concerned with NATO, that is to say Ministers of Foreign Affairs, Defense, and Finance, should meet together periodically round the same table for the discussion of their mutual problems. I cannot overemphasize the importance which I attach to these meetings. It is so much easier to do business with a man face to face. And you must also remember that many NATO countries have responsibilities outside the North Atlantic area which affect their NATO partners.

It was laid down at Lisbon that there should be three ministerial meetings a year, but this is under review. Anyway, there is to be a ministerial meeting on the 23d April, at which one of the principal matters for discussion will be the annual review, which will set agreed force goals for 1953 and provisional goals for 1954.

I confess to being always a little nervous about these ministerial meetings for one reason, namely that the world and the press get it into their heads that, because ministers meet, something spectacular is going to emerge. They are disappointed correspondingly when it does not.

The staff under me are, like myself, truly international. They are drawn from 12 different nations and I hope to get recruits from the other two very shortly. Our total number is 146. Of these, 12 are American. We are still, for our sins, in the Palais de Chaillot, a temporary building that was put up for the U.N. General Assembly in Paris in 1951; but the French Government have bought us a plot of land near SHAPE (Supreme Headquarters of Allied Powers in Europe), and the building of our new headquarters is about to commence.

The Military Committee and its executive, the Standing Group, are the military advisers to the Council, in the same way as the Chiefs of Staff of any nation are advisers to the cabinet. The Standing Group is in permanent session in Washington and contact is maintained by a Standing Group Liaison Office in my headquarters in Paris.

Underneath the Military Committee and Standing Group are the Supreme Commanders—General Ridgway (SHAPE), Admiral McCormick (SACLANT), and Admiral Edelsten (Channel

Command). As there appear to have been misunderstandings on the subject, I should like to state categorically that the relations between the civil and military powers are admirable.

People often say to me: "It is quite clear what the military authorities do, but what does the Council do?" To put it very briefly, I should say that the Council acts as a North Atlantic Cabinet insofar as NATO business is concerned. It gives political guidance to the military, it tries to provide them with the forces, both men and equipment, that they require, and it supports and sustains them in any way that it can in such matters, for example trying to insure that the morale of the civil populations in NATO countries is sound and that they understand the reason for the exertions and sacrifices that NATO demands of them. As another example, the Council has assumed responsibility for the coordination of civil defense, especially in the countries which might be the scene of active operations.

I should mention a word about infrastructure, that is, the construction of commonly financed facilities, such as airfields, communications, and so forth. At the last ministerial meeting, General Ridgway asked for an additional infrastructure program amounting to nearly 450 million dollars. The Council at that time made provision for about one half of this total, taking into account particularly those projects which had to be got under way early in the spring to take advantage of good building weather. Decision on the other half was postponed.

This was unfortunately misunderstood by some sections of the press as a denial by NATO of one half of General Ridgway's requests for the defense of Western Europe. In fact, the amount of money involved amounts to less than three-tenths of one percent of the total being spent on defense.

In principle, the Council has now agreed that the remaining number of projects requested by General Ridgway last December will be financed, although no agreement has yet been reached as to the exact share to be assumed by each country. That is now being worked out. The NATO countries will be spending nearly 700 million dollars in 1953 on infrastructure, two and a half times what was spent in any previous year and we expect to complete an average of an airfield a week in 1953.

I hope I may be excused at this point if I cite a few pertinent facts to you about your European partners. Obviously I do not come here as a special pleader for any individual NATO country or group of countries. I am bound to serve all impartially. Indeed, when I was taking leave of Mr. Churchill nearly a year ago, to move to Paris with NATO, he said to me "I hope you won't find it necessary to put Britain absolutely last on every possible occasion."

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However, for the good of the partnership, it is important that the members should realize that they are in it not in any spirit of charity, but in "enlightened self-interest," to use an American phrase. Living in your rich and extraordinary inventive and productive country, with broad oceans to the East and West, it may sometimes be difficult for you to realize how drastically the balance of power in the world would shift if the manpower and productive capacity of Western Europe should fall under Soviet exploitation.

NATO's Industrial and Manpower Resources

European NATO members have a total population of more than 200 million, including the greatest reservoir of skilled labor in the world. In the major indices of industrial production, coal, crude steel, electric power, for example, they substantially exceed the Soviet bloc. In steel alone the United States and Canada have a combined production of roughly a 100 million tons. Western European production is about 56 or 57 million tons, a little more than half of North America's production, but still considerably greater than the 40 million tons of the Soviet bloc. The North American and Western European production together give a great potential in time of emergency, nearly four times the production of the Soviet bloc. But subtract Western European production and add it to that of the Soviet bloc, then the two figures are nearly equal.

But let me sound another note of warning. Recent studies indicate that Soviet industrial expansion is proceeding at a rate which is cutting down the margin of Western European supremacy and giving added force to my argument. The U.N. Economic Commission for Europe recently reported that by 1960 the Soviet Union will be producing more of the major industrial raw materials than the seven most industrialized countries of Western Europe, if the present rate of Soviet expansion is maintained. By 1955 the Soviet Union will have more oil available than Western Europe is consuming at the present time. This is an ominous note, particularly when we realize that the U.S.S.R. is estimated to be producing this year over twice as much steel as it needed per year to wage the last war.

I have been speaking of the industrial and manpower resources of your Allies and making the obvious point that with their resources and yours pooled on the same side, the Atlantic Community is potentially strong enough to discourage any aggressor. The corollary, which I believe is inescapable, is that with Europe's potential added to the growing industrial capacity of the Soviet bloc, America would in time be forced to give up the political institutions and way of life to which you are all so devoted today.

To demonstrate that there has been no slackening off in the defense effort of your European

Allies, I am today releasing NATO defense expenditure figures, country by country, for the years 1949-50 to 1952-53. I will not read them to you in detail, but you will find them attached as an annex to the advance text of my speech.

Buildup in Defense Effort

You will find there, I hope, clear-cut evidence of a steady, year by year, buildup in the defense effort of these European countries. From the year 1949-50 up to the current year, defense expenditure in the European countries has increased by 120 percent. The first year after the signing of the North Atlantic Treaty, these countries devoted 20 percent more to defense. Defense expenditure figures for 1951-52 jumped more than 47 percent over 1950-51. And the current year shows a further increase amounting to 24 percent.

These defense figures are reflected, partially, also in an over-all increase in the number of men under arms in the NATO countries. In 1949 the European members of NATO had a total of approximately 2,450,000 men under arms. Today that global figure has risen to nearly 3,300,000. In addition to a net increase in numbers, there has also been a steady improvement in equipment, quality, and training.

Through the combined efforts of European defense production and end-item aid deliveries from North America, air forces of European countries will by the end of 1953 be equipped with over 4,000 planes, more than double the number on hand at the beginning of 1952. Furthermore, most of these planes will be modern jet types. Similarly, in a key naval item like minesweepers, the total available to European forces by the end of this year will be almost 75 percent greater than the number in existence in mid-1952.

Just before I left Paris a fortnight ago, that wise and accomplished officer, General Gruenther, who accompanied General Eisenhower on his mission to Europe as Chief of Staff, and who is still Chief of Staff to General Ridgway, told me that we are much further ahead today than he and General Eisenhower had estimated that we would be at the end of 2 years. He told me that when he and General Eisenhower arrived in Paris early in 1951 to set up Supreme Headquarters Allied Powers Europe, they had little more to build on than the United States, British, and French Occupation Forces then stationed in Western Germany, Austria, and Trieste. By the end of last year, the Lisbon goals of 50 divisions had been substantially met.

By the end of 1953 these divisions will be increased in number, not as much as we or the military would like to see, but increased nonetheless. More important, there will be a very substantial increase in the quality of the existing forces and in their logistic support.

Let me conclude with a testimony of my own

faith. I believe with every fiber of my being that in the North Atlantic Treaty lies the best, if not the only hope of peace. I believe that we are on the right road and that we are gaining every day in strength, in purpose, and in unity. I have no doubt that there is a long way still to go and that the road may be rough. That we shall have our little quarrels is very likely. This happens in the best regulated families. But that there will be persistent efforts to drive a wedge between us is certain. There is nothing that the Soviets are more anxious to accomplish. That prolonged exertions and sacrifices will be required from us all goes without saying. Nevertheless, I am wholly convinced that given continued patience and increasing power, given fortitude and faith, given unity and unselfishness, we shall secure for our children and our children's children peace, justice, happiness, and prosperity.

ANNEX

NATO Defense Expenditures

The following table represents the defense expenditures of member countries of the North Atlantic Treaty Organization, year by year, from 1949-50 to 1952-53. Except where noted otherwise, the figures are calculated on the NATO year (July 1 to June 30). Because they have been adjusted to an agreed NATO definition of what constitutes defense expenditures and because in many cases they have been adjusted also to the NATO year, the figures given do not necessarily agree exactly to defense budgets voted in member countries:

TOTAL DEFENSE EXPENDITURES OF NATO COUNTRIES
NATO Year (July 1-June 30)
(in millions of dollars)

Country	1949-50	1950-51	1951-52	1952-53
Belgium . . .	155.04	196.95	346.56	483.82
Canada . . .	441.20	763.30	1,643.40	2,125.70
Denmark . . .	53.00	56.04	87.75	131.33
France . . .	1,458.20	2,041.00	3,219.88	4,047.02
Greece . . .	124.09	172.16	203.96	206.18
Italy . . .	520.29	613.33	813.06	996.51
Luxembourg . .	2.79	4.15	8.16	9.82
Netherlands . .	230.83	228.45	309.80	423.75
Norway . . .	49.59	67.07	96.22	146.13
Portugal . . .	45.66	48.06	50.91	75.83
Turkey . . .	274.35	284.27	315.99	324.13
United Kingdom . . .	2,450.00	2,750.00	4,095.00	4,995.00
United States . .	12,809.00	21,947.00	43,374.00	^b 49,500.00
Total NATO Europe . .	5,363.84	6,461.67	9,547.29	11,839.52
Total NATO Countries . .	18,614.04	29,171.78	54,564.69	63,465.22

^a National Fiscal Year April-March.

^b U. S. Defense Expenditure figures do not include economic aid or defense support assistance (the amount of which in 1952-53 will be approximately 1 billion dollars for NATO countries). The bulk of the local currency counterpart of current defense support assistance is included in the defense expenditure figures of recipient NATO countries.

Beginning of the Eisenhower Era

Press Conference Statement by Secretary Dulles¹

U.S./U.N. press release dated March 9

I have often been to the United Nations as a delegate of the United States. This is the first time that I am here as Secretary of State. I am proud to be here in that capacity under the new Administration of President Eisenhower.

The Eisenhower era begins as the Stalin era ends.

For 10 years the world has been dominated by the malignant power of Stalin. He capitalized on the prestige which was won by the Red army defenders of Stalingrad, and when the Red armies moved into Eastern Europe, Stalin used them to establish his Communist satellite regimes. In Asia, Stalin's plans, laid 25 years ago, achieved a dramatic success through the Communist civil war which brought 450 million Chinese under Stalin's sway.

Now Stalin is dead. He cannot bequeath to anyone his prestige.

As Stalin dies, General Eisenhower, the man who liberated Western Europe, has become President of our great Republic with a prestige unmatched in history. A new era begins, one in which the guiding spirit is liberty, not enslavement, and when human relations will be those of fraternity, not one-man domination. Then, in the words of our Charter preamble, the nations, large and small, may come to enjoy equal rights and dignity and peace.

That is the Eisenhower faith which I share and seek to serve.

The Duties of Free Peoples

Statement by Secretary Dulles²

U.S./U.N. press release dated March 10

Those who know war best are the ones who hate it most. It is therefore natural that you, the AMVETS, should dedicate your efforts to prevent any repetition of the ghastly event which was World War II. I am deeply honored that you feel that I may have contributed somewhat to the preservation of peace and that you deemed me worthy of receiving your Annual Peace Award.

There is no art more difficult than that of preserving peace. That is proved by the fact that throughout the ages men have sought it and never yet have won it, except for brief passing intervals.

The task is complicated by the fact that peace is not an end for which all else should be sacrificed. There are things even more precious than peace. Peace, of a kind, is usually obtainable by always giving in to the threats of the bellicose. Peace, of

¹ Made at U.N. Headquarters, New York.

² Made on Mar. 10 at U.N. Headquarters, N.Y., on receiving the third Annual World Peace Award of AMVETS.

a kind, can perhaps be had if human beings are turned into a species of domesticated animals seeking only survival and indifferent to the preservation of human dignity within the framework of moral law. However, indignity and injustice are not tolerable to those who take a spiritual view of the nature of man and who believe that men have a duty to comprehend and apply moral principles.

Today, vast power resides in the hands of a few men who deny the existence of moral law, who conceive that peace is a condition where the great mass of human beings surrender their dignity and individuality in order to achieve conformity. They believe that world peace depends upon subjecting all men to that cruel and materialistic discipline.

In the face of such a threat, the free peoples have three clear duties:

1. They must show strength both in military ways and in ways which proclaim strikingly the richness—material, intellectual, and spiritual—of a free society.

2. They have the duty to make sacrifices in order to create the conditions necessary for the defense of their heritage of freedom.

3. They have the duty to make their intentions so clear that they will thus reduce the risk that war might come about through miscalculation on the part of the aggressors.

It is not very profitable to try to guess the future and to act on the basis of such guesses. It is more profitable to concentrate on playing our part in shaping the future.

The American people are, I believe, prepared to do their part in this great endeavor. By so doing they can make an indispensable contribution toward the achievement of a just peace.

Secretary Dulles To Visit the Near East and South Asia

Press Conference Statement by the Secretary¹

U.S./U.N. press release dated March 9

President Eisenhower is keenly aware of the importance of the Near East and South Asia. The peoples of that part of the world have a rich culture on which we of the United States have largely drawn. The President has, therefore, asked me to go personally to the Near East and South Asia to show our friendship for the governments and peoples of these areas.

¹ Made at U.N. Headquarters, N.Y.

I hope to find it possible to leave the United States in May and spend as much time as my schedule will permit in the area. Final details of the trip will be announced later.

I should like to mention, however, the underlying approach which will guide me during this trip. I am going to get firsthand information. I shall listen carefully to what I am told and consider the problems presented to me with utmost sympathy. I shall not bring with me any specific plan or program, nor do I expect to ask the governments I visit for any decisions. I am going to renew old friendships and, I hope, make new ones.

Needless to say, I am looking forward to this trip with keen anticipation. I shall be the first Secretary of State to visit these countries. I look upon this trip as an opportunity to dispel misunderstandings and to develop close relations between the United States and these friendly nations.

Consultants To Serve With National Security Council

White House press release dated March 11

The President has asked seven prominent citizens to come to Washington on March 11 to serve for a short time as consultants to the National Security Council on general problems relating to its policies and programs.

The President emphasized that these citizens will be coming as individual consultants rather than as a committee, because, as the President said, "What is desired is the individual view of each person on a particular problem or problems, rather than the collective view of the group."

The seven consultants, representing many fields of endeavor and different parts of the country, are:

Dillon Anderson, Houston, Tex.
James B. Black, San Francisco, Calif.
John Cowles, Minneapolis, Minn.
Eugene Holman, New York, N. Y.
Deane W. Malott, Ithaca, N. Y.
David B. Robertson, Cleveland, Ohio
Charles A. Thomas, St. Louis, Mo.

An administrative assistant to the President will be in charge of all arrangements for the consultants, which will include conferences with representatives of the Department of State, Department of the Treasury, Department of Defense, Mutual Security Agency, Central Intelligence Agency, Atomic Energy Commission, Civil Defense Administration, the Bureau of the Budget, and others.

Problems of Trade With the Middle East

by Arthur Z. Gardiner

Economic Adviser, Bureau of Near Eastern, South Asian and African Affairs¹

I welcome this opportunity to think aloud with you on some of the problems, political and economic, that underlie all that you are doing in furthering trade between countries of the Middle East and the West. I cannot give you the answer to these problems. At this time it is difficult to do more than indicate to you the probable policies which may guide the efforts of your Government in this area. On the other hand, I think that, if we can identify some of the problems and suggest possible methods by which peoples and governments may move to solve them, we may have made a contribution to the very important work of your association at its midyear meeting.

What is the area of our concern? For our present purposes, I would suggest that it starts at its westernmost point with Egypt, where the Suez Canal is the gateway for most of your cargoes that move from Asia to Europe and to North America, and that it extends eastward through the subcontinent to Indonesia. Problems of Egypt are involved with other problems of concern to peoples living in the Arab countries of the Middle East, and the relations of the Arab peoples to us affect your daily living. Still more directly, you are concerned with problems of Pakistan, of India, of Ceylon, and of Indonesia, where so much of the material wealth which passes through your hands originates.

Peoples in the countries of this region have many points in common. In the first place, they have newly acquired independence. The political independence of 7 countries of this region dates since the conclusion of World War II, and of 4 more since the conclusion of World War I—this of a total political aggregation of 15 countries.

This region represents, by and large, an area of neutralism as between the forces of Communist Russia on the one hand and the strength of the free world on the other.

¹ Address made before the Tea Association of the United States at New York on Mar. 3.

In the region are found the natural resources that underlie a very substantial proportion of the foreign trade of the United States and of Europe. Aside from tea, I would mention rubber, tin, manganese, mica, jute, and other fibers, and, perhaps as important as any of the foregoing, petroleum reserves of the Arab States of the Near East. All these nations, if they are to prosper, are bound to link their economies in greater or lesser measure with the economy of the West. Like us, they have in common a vital interest in such trade.

Tensions Created by Newly Won Independence

A further factor which all these peoples have in common, 600 millions of them, is the fact that by and large the populations are categorized by the economist as "underdeveloped." This means that neither their human nor their material resources are being used to anything approaching capacity. The fact that this great mass of peoples, now becoming politically conscious, looks for greater material benefits to follow in the wake of newly won independence is a factor with which not only the Government of the United States must reckon but is one which you in the business community also must ponder. New found political consciousness leads on the one hand to friction with the West, on issues which rightly or wrongly are often linked with such "isms" as colonialism, imperialism, and commercialism.

Whatever may be the merits of such characterizations, the attitudes of the people who give voice to them are factors which must be taken into daily account on the international balance sheet. On the other hand, this new political consciousness has also led to deep-seated friction between neighboring states in the region and to quarrels which in many cases have defied patient efforts to conciliate them. Tensions with the Western World have been conspicuous in Egypt and in Iran; issues of conflict between states within the

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region, nevertheless of worldwide concern, are conspicuous in the Palestine and Kashmir incidents.

What a region! 600 millions of people—great potential resources—the prize in the current struggle between totalitarian states and the democratic nations of the free world.

In facing the political and economic problems, it may sometimes seem that the United States speaks with two voices. This is because, on the one hand, we are a conservative people, rooted in conservative trading practices, rooted in established commercial habits which are closely akin to the practices of our friends in Europe. This side of our nature craves stability and looks, frequently, longingly, back at the days when the issues of nationalism had not appeared to make life more difficult.

Sympathy With Struggles for Independence

But there is another side to our nature, and it has been expressed over the past few decades in increasing measure in our approbation of the struggles for independence of these new nations of the Middle East and of other parts of the world, and our efforts to make sure that their voice is given due weight in the community of nations, in sessions of the United Nations, and elsewhere. Following the traditions of the founding fathers of our own Republic, we feel that political independence must be a good end in itself. In the tradition of Washington's Farewell Address, we understand what our friends in the Middle East mean when they seek the opportunity to be left in peace to develop their own newly won institutions underlying their national independence.

We know that, in the long pull, our security—and their's—lies in the growth of maturity and responsibility in the entire family of nations, and that we cannot set back the political clock. In the United States there is increasing realization of the grave risk that all of this region may be lost to other forces alien to our nature, those with whom we cannot see any present way to cooperate in the commercial field or in other fields of human activity. On our side, we are going to be called upon to summon reserves of patience, will, determination, and strength to maintain our association with the Middle East. We must preserve for ourselves and for our children the basis of freedom of interchange of goods, of ideas, and of peoples.

We cannot hope to be successful in this effort unless we join in full and friendly cooperation among the leaders of Middle Eastern countries with whom we now have such friendly contacts and from whom you will hear representative voices speaking to you this afternoon. Part of our joint task may well be to reconcile with these friends the relationships between political independence on the one hand and economic realities

on the other. On our side we have a task to lend our moral and material strength to the efforts of the leaders of Middle Eastern countries to assist their peoples to achieve that degree of hope in their future—political future and economic future—which will serve to justify their continued leadership of independent nations.

While I am not qualified to speak on the merits of the recent arrangements which have been made by the Tea Association of the United States on the one hand, representing the importing and distributing trade, and the Governments of certain Asian countries on the other, representing the producing countries, to take positive measures here to improve the marketing of tea, such a cooperative effort certainly appears to be a positive step in the right direction. I can only express my own personal and devout wish that it will not only be successful in its immediate purposes but that it will still further forge solid links in our relations with the countries of Asia through the joint effort made by representatives of all the nations concerned in meeting a common problem and in working to a single end.

It may be worthwhile to view briefly some of the likely steps that our own Government may be taking in the course of the next few years to provide you and other traders with a background in which your ventures can prosper.

U.S. Policy in the Middle East

In the first place, I think it has been made clear by the leaders of the new Administration that the United States interest in the improvement of our relations with the countries of Asia in general and the Middle East in particular will continue to be genuine and real. While lines of action in all phases of Middle Eastern affairs may not yet have been clearly established, I would hope that we could rely on certain policies which have been practiced by the Government in the past and will probably continue to be guidelines in the future.

We can, for convenience, separate the issues primarily political in nature from those primarily economic. Turning to the political side, we are aware of several burning issues. Perhaps the most significant today are those concerning Egypt, Israel-Arab relations, Iran, and Kashmir.

In the cases of Egypt and Iran, our concern is to assist in establishing rapprochement with the West as a friend of both parties to disputes of long standing. A very signal advance has been made in Anglo-Egyptian relations through recent agreement on the issue of the Sudan. What lies ahead is a solution to the problem of the Suez and the establishment of new agreements to provide for the defense not only of this vital installation but of the political independence of all the friendly states of the area. I am certain that our Government will continue to lend friendly counsel and support to such understandings. We cannot,

today, be as hopeful in commenting on the difficulties which face Iran, but if we fail it will not be for lack of trying.

In the cases of Kashmir and Palestine, our efforts have been centered and will most likely continue to be centered in the appropriate organs of the United Nations. And here I think it fair and just to emphasize to you that the organization of the United Nations has proved an indispensable vehicle for presenting the issues in these two cases to world opinion, and in providing to the parties in dispute the moderating counsel of able and wise statesmen of nations not directly concerned in the special issues. There can be no substitute for an orderly clearinghouse of debate in such cases. In providing the means of conciliatory attempts in these two instances alone, the United Nations has justified its existence. The fact that issues in Palestine and Kashmir are still unsettled, and will probably continue to test the good will and ingenuity of all interested parties for some time to come, need not detract from this tribute to a nobly conceived instrument of international policy. I would predict that we will continue to support the U.N. organization in its efforts to solve the outstanding problems of Palestine, Kashmir, and of other issues. And I am equally certain that you who are concerned with the trade of the Middle East, be it tea or any other item of international trade, have a vital interest in the peaceful settlement of all these disputes.

"Trade—Not Aid"

Now what of the economic side? We can separate out several fields of activity. In the first place, we can hope for continued interest on the part of our Government in the negotiation of treaties of friendship, commerce, and navigation. These treaties are designed to create conditions under which trade between nations can be conducted more freely, and to improve the prospects of the investment of private funds in enterprises abroad. If we analyze thinking in this country today, when the slogan "Trade—Not Aid" is a current catchword, it may be fair to assume that this is a policy which the United States is likely to continue. It is a policy that offers attractive possibilities to all friendly countries of Asia. Without adherence to the principles embodied in these treaties, how can the capital required to develop their economy be attracted in any volume? A basic aim of the standard treaties is to provide safeguards for investors against the many non-business hazards of foreign operations. While the investor must take economic risks of loss to which venture capital is always subject, it is believed that agreements on the international level can overcome other risks which presently cause private capital to shy away from investment overseas. These hazards assume many forms, with which you are more familiar than I. They may arise

from inequitable tax statutes, confiscatory expropriation laws, rigid employment controls, special favors to state-owned businesses, drastic exchange restriction, and other discriminations against foreign capital. It is hoped that both the investment climate and the trading climate can be improved if some of these risks are removed by treaties which establish mutually agreed upon standards of treatment for the citizens and enterprises of both contracting parties.

We also look to the programs of investment guarantee and of reciprocal tax treaties to improve the investment outlook.

Effort To Eliminate Trade Barriers

In the second place we may hope for a continuation of the policy which originated in the thirties and which looks to the removal of restrictions in our own import program, and in the import programs of other countries; to the elimination of barriers to trade, which provide an undesirable and unwarranted degree of protection for domestic markets. If other countries are to earn the dollars which they need to enable them to purchase our exports, they must be able in turn to sell more freely to the United States. Failure to give practical application of this truism in our own policies will set back the clock of world cooperation. Positive steps, administrative and legislative, to liberalize our trading practices can go far not only to provide the basis for expanded trade but also to help by our own example to improve investment climate abroad which is a desideratum of substantially all of our heterogeneous national interests.

Technical Assistance Programs

A third element of the economic policy of our Government, and also of the United Nations, is found in the programs of technical assistance which have such widespread support today throughout the Nation. While this program has been a long time getting on the road, so to speak, it is now becoming a firmly established arm of foreign policy. On the U.S. rolls alone we count 1,500 technicians serving with their colleagues in various countries abroad, 35 nations altogether having agreed to join in this cooperative effort. Here people of high principle and good intent are endeavoring to work alongside their colleagues in other countries in order to adapt the most suitable methods and practices in the fields of agriculture, health, education, and other basic fields to conditions which they find on the spot. We have in a sense made the medical missionary and the agricultural missionary a part of national policy, both through our programs of aid rendered directly by the United States and through our support of the programs of the United Nations. While this is necessarily bound to be a long-term

effort, and its results will not always be immediately apparent, it is in the long run a basis on which we can hope for better things, better living, more stable political conditions throughout all of Asia. In the short run the demonstrable fact of our interest has already gone far to counteract the design of the enemies of the West. Appreciation of the benefits of this program and a clear understanding that it is not to be confused with such terms as imperialism have been forcefully expressed recently by many delegations to the Conference of the Economic Commission of the Far East. The idea is catching on and doing good. This is not to say it is all plain sailing or that a program of such wide scope can be wholly successful and always conducted to best advantage.

In addition to the programs of technical assistance, but closely connected with them, are programs involving the use of governmental capital funds abroad for large-scale developments mainly centered in the fields of water utilization, land reclamation, and transportation. Tools at hand include the Export-Import Bank and the International Bank for Reconstruction and Development, to which the United States has made a large subscription and whose obligations are marketed in the money market of the United States as well as the market of Western Europe. These institutions are technically equipped to make very substantial contributions to the economies of the Middle East. While we have seen on occasion frustrating delays in the application of their funds, these delays largely stem from considerations of a technical nature. The engineering homework must be done first before construction can start and capital be put to work. These well-managed and highly regarded institutions will have an increasingly important role to play in the days to come.

Extension of Grant Aid

Another and more controversial element in our policy has been the extension of grant assistance to the underdeveloped countries. Over and above technical assistance, and over and above the borrowing capacity of the countries with whose interests we are associated, there can be made a case in certain instances for direct grants. This is admittedly a dangerous field, as it is unsound and unwise to permit grants to be a substitute for resources which otherwise might be turned into capital account. If "borrowing dulls the edge of husbandry," grants may dull it more. On the other hand, temporary grant assistance can be justified in certain special cases where emergencies cannot otherwise be met. Technical services cannot always be effective without ready sources of supply. Therefore the element of judicious grant aid is one to which I am certain that the Government will continue to give its attention.

In closing, let me repeat that the new Administration is working out the emphasis and the detail of these and other policies. My remarks are not intended to convey any impression of finality, but are merely to paint a broad picture. Our Western community is faced with a great challenge in joining its moral and material interests with the interests of the Middle East. It is going to take all our will, all our strength, all our determination, and the wise use of our human and material resources to meet this challenge.

East-West Trade Controls To Be Tightened

The Director for Mutual Security, Harold E. Stassen, on March 3 announced a 7-point program to tighten up East-West trade controls under the Battle Act. The text of Mr. Stassen's announcement follows:

Communist-made weapons and munitions are now being used in the Korean war to commit aggression against the United Nations and to kill and wound men of the United Nations forces including soldiers of the Republic of Korea, United States, Belgium, Canada, Colombia, Ethiopia, Luxembourg, New Zealand, Australia, Greece, France, the Netherlands, Philippines, Thailand, Turkey, and the United Kingdom.

Communist-made weapons and munitions are being used in the Indochinese war against the Vietnamese and French forces in a violent illegal action seeking to overthrow the established Government.

Under these circumstances every possible effort should be made to prevent strategic supplies from reaching the Soviet bloc. Much has been done by the free and sovereign nations, including the United States. Much more needs to be done. Much more will be done under President Eisenhower's new Administration.

Our increased efforts will include these measures:

(1) Special moves against what I call the "Triple C Men." These are the "Capitalist-Communist-Collaborators" who operate beyond the law and, in a greedy drive for profits, carry on an underground trade sending strategic materials into the Communist area.

(2) Peaceable but effective measures to stop the sly movement of ships carrying strategic materials on a transshipment basis from the West to the Communist area. Special attention will be given to ships originally built and owned by the United States and later sold to foreign nationals or registered under foreign flags.

(3) Cooperation with the appropriate investigating committees of the Congress to develop the facts and devise any remedies necessary.

(4) Study and consultation with the Foreign

Relations and Foreign Affairs Committees of any further legislative measures needed to carry out more effectively the intent of the Battle Act.

(5) Appropriate participation in the negotiations conducted by the Department of State with other free nations for the more effective control of strategic materials and of shipping.

(6) Coordination with the Departments of State, Treasury, Defense, Commerce, and other Departments and Agencies in a combined program of pertinent administrative action.

(7) Appointment of Gen. William J. Donovan as special consultant in East-West trade control.

"A Trade and Tariff Policy in the National Interest"

SUMMARY OF THE BELL MISSION'S REPORT¹

A Trade and Tariff Policy in the National Interest is the title of a 119-page report received by President Eisenhower from the Public Advisory Board for Mutual Security. This report was presented to the President on behalf of the Board by its acting chairman, Daniel W. Bell, president of the American Security and Trust Company, Washington, D. C., and former Under Secretary of the Treasury.

In releasing the report on March 5, Mr. Bell quoted the President as expressing his appreciation to the members of the Board for their work in the preparation of the report. The President indicated further that he would refer it to various departments of the Government for consideration.

The report warns that "if this country does not soon take measures to facilitate an increase in imports, U.S. exports will decline and American industry and agriculture will be seriously affected." Moreover, the report finds certain U.S. trade policies to be in conflict with U.S. foreign policy, thereby weakening American leadership and threatening the strength of the free world.

The report recommends 10 steps to encourage an increase in imports to help pay for exports:

1. That decisions on trade policy be based on national interest, rather than the interest of particular industries or groups; that in cases where choice must be made between injury to the national interest and hardship to an industry, the industry be helped to make adjustments by means other

than excluding imports—such as through extension of unemployment insurance, assistance in retraining workers, diversification of production, and conversion to other lines.

2. That a new simplified tariff act be adopted, providing for general reductions of duties and eliminating present uncertainties in the classification of goods by consolidating the many hundreds of present tariff rates into seven basic schedules: a Free List, four groupings of commodities bearing duties of 10, 20, 30, and 40 percent ad valorem, a Specific List for basic agricultural and mineral raw materials, and an Extraordinary List where commodities might be placed whose importation, for security or other reasons, should be limited by quotas or other restrictions, or by exceptionally high rates; that Congress establish appropriate standards for such an act and authorize the President to develop and carry out its details.

3. That the President be authorized to enter into reciprocal trade agreements without limit of time and with power to reduce tariffs, within specified limits, in return for reductions in tariffs or restrictions by other countries.

4. That, as an interim measure, customs procedures be simplified by prompt passage of a bill similar to that recommended by the Treasury and passed by the House of Representatives in 1951; that a commission be created to study and propose further measures of customs simplification.

5. That tariffs be reduced, and quotas on agricultural products be liberalized to allow the freer import of goods that are not produced in this country in sufficient quantity at world prices; that Section 104 of the Defense Production Act,

¹This summary was released to the press on March 5 by the Public Advisory Board for Mutual Security. Copies of the report may be obtained from the Superintendent of Documents.

For text of President Truman's letter of July 13, 1952, requesting the Board to undertake a survey of U.S. trade policies, and a list of the Board's members, see BULLETIN of July 21, 1952, p. 104.

restricting the import of certain agricultural products, be repealed.

6. That tariffs be reduced and in some cases ultimately eliminated on metals and minerals of which imports are a major part of U.S. supplies; that, where necessary for defense reasons, domestic production be encouraged through special purchases or contracts rather than tariffs.

7. That import excise taxes now applying to petroleum products be dropped; that, if imports reach a level where they impede domestic exploration and development, other measures be taken to assure a domestic industry adequate to defense needs.

8. That cargo preference, by which 50 percent of the cargo on aid and loan shipments is reserved to domestic carriers, not be applied to countries that let American shippers compete on a fair basis.

9. That the procurement policies of the Government which raise the cost of goods bought by the Government be reconsidered in the light of the principles and objectives of a foreign trade policy in the national interest.

10. That the Congress take the necessary steps to enable the United States to join in establishing an international organization to promote the objectives of the General Agreement on Tariffs and Trade (GATT); that active participation be continued in other international organizations to promote fair exchange and fair labor practices and the flow of investment capital.

The Choice Before Us

The report points out that from 1946 to 1952 the rest of the world received 34 billion dollars more goods from the United States than it sold here. While the gap has been reduced, it is still so large as to pose this problem: Shall this country accept a decline in its foreign sales, or shall it attempt to maintain these sales by taking more goods from abroad in payment? That is the choice before the American people—unless they are willing to pay taxes to continue large-scale aid programs.

There is no question which answer other countries would prefer. They want to continue to buy from us and would like to pay their way by selling more to us.

The Board suggests that it is equally in the U.S. interest to sell more by buying more. The U.S. stake in world trade is large. Exports of manufactures amounted in 1951 to 10 billion dollars while agricultural exports for the same period were 4 billion dollars, or nearly one-eighth of total cash farm receipts. Were this trade to be diminished substantially, the whole economy would suffer. The report warns

The inability of other countries to earn more dollars will compel them to restrict imports from the United States as aid is reduced. . . . The free world, if the dollar

problem continues, will be divided into dollar and non-dollar blocs; the economic situation of the nondollar regions will deteriorate; the exports of the United States will be sharply reduced; and restrictions and discriminations against American exports will inevitably be intensified.

How Can Imports Be Increased?

The Board believes that imports by themselves cannot be expanded sufficiently within the foreseeable future to close the entire dollar gap. It suggests, however, that prompt enactment of its recommendations would enable foreign countries to expand their sales to us by 700 million to 1 billion dollars annually within 3 to 5 years. Together with measures that should be taken by other countries, this would make possible a constructive solution of the free world's dollar payments problem.

The Board does not believe that completely free trade is feasible in the immediate future. Its proposal for consolidating, simplifying, and reducing tariffs is suggested as a practical means of achieving trade policy objectives. "A widespread but moderate reduction in tariff rates could have a substantial effect in encouraging imports," it points out. "At the same time, its moderation would avoid extreme needs for adjustment" in domestic industries.

As for customs laws and regulations, the report observes that "many goods take longer to pass through customs than it took Columbus to discover America." A customs simplification law is urgently needed. Other restrictions, such as quotas on certain agricultural commodities which U.S. farmers do not produce in sufficient quantity to meet domestic needs, should be reduced or removed. This country should offer to remove the 50 percent cargo preference provision on aid and loan shipments where other nations permit Americans equal competitive opportunities with their own merchant marine. The "Buy American" Act, which adds a 25 percent supertariff to the cost of goods bought by the Government, should be reconsidered.

Adjustment to Increased Imports

The report, in arguing for a foreign-trade policy in the interest of the nation as a whole, points out that the "Escape Clause" and "Peril Point" provisions of the Reciprocal Trade Agreements Act are concerned exclusively with the interest of domestic producers faced with threat of competition from imports. The study states:

There is nothing to indicate that consumers have a right to buy the goods they prefer whether domestic or imported. There is nothing in the law to indicate that American business, agriculture and labor have a right to export the goods they produce and that a penalty on imports is a penalty on exports. There is nothing in the law to indicate that a higher level of trade and better balance in international payments and the effect of trade on foreign relations are relevant matters for considera-

tion in determining whether imports are to come into the United States.

The report recognizes that an increase in manufacturing imports might "displace the output of 60,000 to 90,000 workers" or less than one out of 1,000 workers, and well under the normal displacement occurring from a variety of other factors. The actual displacement, however, might well be less than half this figure because many industries would convert to other products.

The report recommends that the Federal Government help with the reconversion problem by retraining workers and longer-than-ordinary unemployment insurance benefits, and that consideration also be given to loans for industries for adjustment purposes. While there are problems in reconciling a liberal trade policy with the objectives of domestic agricultural programs, ways should be found to accomplish the latter objective without prejudicing the former. Agriculture's interest in export markets is particularly great.

The conclusion reached by the report is that the choice the United States should make is one which recognizes its interest in continuing its present export program by increasing imports. This means that the United States, which for years has been hobbled by inconsistencies between its trade and foreign policies, must undertake a new trade policy.

That policy must be based on the interest of the nation as a whole, not alone on the special interests of any small groups of producers. High and unnecessary tariffs on many goods discourage imports. The complexity of the tariff structure and the cumbersome customs procedure made importing an expensive and uncertain business. And there are quotas and prohibitions on imports of agricultural products which severely limit and even exclude goods that should be imported. These restrictions do great harm to the American economy. The reduction of such barriers to trade would be an essential part of any trade policy based on the national interest.

MSA Submits Report on Formosa's Postwar Development

The Mutual Security Agency (MSA) reported on March 3 that one of the "great difficulties" facing the Chinese Government on Formosa is "the continuing problem of supporting the heavy military burden."

In its latest monthly report to its Public Advisory Board released on March 3, MSA said that the problem of supporting the military effort is one of three economic difficulties which the Government of the Republic of China "recognizes . . . remain ahead." Describing the other two as the problems of meeting the needs of a steadily increasing population and warding off the ever-present pressures of inflation, the report added: "But the Chinese have taken a constructive step forward toward overcoming these difficulties by developing a specific plan of action to guide the

efforts of both the Government and the people on Formosa."

A special section of the new MSA report is titled "The Republic of China on Formosa—Economic Problems and Progress." Highlighted with statistical graphs and charts, it traces the agricultural and industrial development of the Chinese island since it became the headquarters for the Government of the Republic of China.

As a result of its need to maintain a strong military position, the report said Formosa has faced four major economic problems—financing the military budget, raising production levels, overcoming a trade deficit, and combating inflationary pressures.

The Chinese Government, the report noted, has drawn up a 4-year plan under which the island can become economically self-supporting. Covering the period 1953-56, the plan, based on annually decreasing amounts of American aid, calls for (1) further expansion of agricultural and industrial output; (2) budgeting annual export and import requirements; (3) increasing national income; (4) balancing the national budget; and (5) greater encouragement to private investment.

Elaborating on the last point, the MSA report said:

Realizing that neither Government funds nor MSA assistance, by themselves, can fully develop Formosa's resources, the Chinese are trying to encourage greater private investment—both domestic and foreign—in Formosan industry. To aid these efforts, the MSA industrial guaranty program—which guarantees American investors against inability to convert foreign currency receipts and against loss from expropriation or confiscation—was made applicable to Formosa in June 1952.

In its detailed discussions of the various programs, the report listed accomplishments of the agriculture-development program carried on through the Joint Commission on Rural Reconstruction, with emphasis on land-reform progress.

As one phase of the industrial-development program, the report noted, the Chinese are stressing output of a number of items which the Japanese had previously supplied to Formosa from their own homeland resources. For example, particular emphasis has been put on textile and fertilizer manufacture. Textile industries now have almost 130,000 spindles where virtually none existed before the war. Production of chemical fertilizer has reached more than 135,000 tons annually, as compared to about 30,000 tons in 1941.

The report pointed out that "although Formosa's products in 1952 were sold to some 30 countries, Japan continued to remain the island's largest trading partner." Almost half of Formosa's foreign trade is with Japan.

The MSA defense-support program finances such items as petroleum for the military forces, cloth for uniforms, equipment for military hospitals, and construction materials for military installations.

In addition, the report said:

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The
U.S.
representative on the Working Committee will be Arthur R. Ringwalt, First Secretary of the American Embassy at London. Mr. Ringwalt will be assisted by Mayte B. Greene, of the Office of Northeast Asian Affairs, Department of State, and Stanley D. Metzger, Assistant Legal Adviser for Economic Affairs, Department of State.

The full text of article 16 of the Treaty of Peace with Japan reads as follows:

As an expression of its desire to indemnify those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan, Japan will transfer its assets and those of its nationals in countries which were neutral during the war, or which were at war with any of the Allied Powers, or, at its option, the equivalent of such assets, to the International Committee of the Red Cross which shall liquidate such assets and distribute the resultant fund to appropriate national agencies, for the benefit of former prisoners of war and their families on such basis as it may determine to be equitable. The categories of assets described in Article 14 (a) 2 (II) (ii) through (v) of the present Treaty shall be excepted from transfer, as well as assets of Japanese natural persons not residents of Japan on the

MSA has also helped strengthen Formosa's military potential by promoting the construction and improvement of basic facilities—such as highways, bridges, and harbors—which can be used jointly by the armed forces for strategic purposes.

Giving a statistical report of MSA aid to Formosa for the period between June 5, 1950, and December 31, 1952, the report said that authorizations for commodity purchases totaled 236.8 million dollars, of which 41.9 million dollars was for military-support items. The total also included 56.3 million dollars for commodities in the field of agriculture, forestry, and fisheries. Another major classification was 23.7 million dollars for the field of transportation, power, and other public works. These figures are exclusive of about 27 million dollars of American aid to Formosa prior to June 5, 1950.

Working Committee To Discuss Transfer of Japanese Assets

Press release 115 dated March 2

Article 16 of the Treaty of Peace with Japan requires that Japan transfer its assets in countries which were neutral during World War II or which were at war with any of the Allied Powers, or, at its option, the equivalent of such assets, to the International Committee for the Red Cross for the benefit of former prisoners of war and their families. Ways and means of carrying out the provisions of article 16 will be discussed by a Working Committee, composed of representatives of the principal beneficiary countries, which is to meet at London on March 4, 1953. These beneficiary countries are Australia, Cambodia, Canada, Ceylon, France, Indonesia, the Netherlands, New Zealand, Pakistan, the Philippines, Vietnam, United Kingdom, and the United States.

first coming into force of the Treaty. It is equally understood that the transfer provision of this Article has no application to the 19,770 shares in the Bank for International Settlements presently owned by Japanese financial institutions.

Terms of Settlement of German Obligations for Austrian Debts

Press release 118 dated March 3

Following is the text of a press release issued at London on February 27, 1953, by the Tripartite Commission on German Debts at the time of the signing of the Intergovernmental Agreement on German External Debts:¹

Terms of settlement regarding the obligations of the German Federal Republic in respect of debts due under Austrian external loans and certain other Austrian debts, which accrued during the period of the *Anschluss*, have been agreed by the parties concerned. Under the terms of the Agreement on German External Debts signed today these agreements on Austrian debts have to be approved by the Governments represented on the Tripartite Commission on German Debts. These three Governments have indicated their approval of these agreements subject to the completion of satisfactory validation procedures, where such procedures are applicable.

The following is a summary of the terms of settlements referred to:

Seven percent International Federal Loan 1930 of the Republic of Austria

The Federal Republic of Germany will pay to the paying agents, in the currencies required for the various *tranches*, the sums necessary for the 75 percent redemption of the coupons of the 7 percent International Federal Loan of the Federal Republic of Austria, 1930, which has become due for the period between 12th March 1938 and 8th May 1945. These funds will be allocated for the

<i>Coupon maturity dates</i>	<i>on</i>
1 July 1938	1 July 1953
1 January 1939 and 1 July 1939	1 July 1954
1 January 1940	1 July 1955
1 July 1940 and 1 January 1941	1 July 1956
1 July 1941	1 July 1957
1 January 1942 and 1 July 1942	1 July 1958
1 January 1943	1 July 1959
1 July 1943 and 1 January 1944	1 July 1960
1 July 1944	1 July 1961
1 January 1945	1 July 1962

At the same dates the Federal Republic of Germany will reimburse the paying agents and the trustee for the costs, fees, and expenses for the coupon maturity dates concerned, calculated according to the amounts actually disbursed.

¹ BULLETIN of Mar 9, 1953, p. 373.

Austrian Credit-Anstalt Bonds 1936

The Federal Republic of Germany will pay to the paying agents in the currencies required for the various *tranches* the sums necessary for the redemption of the amortization coupons of the Austrian Credit-Anstalt-Government Bonds 1936 which have become due for the period between 12th March 1938 and 8th May 1945. These funds will be allocated for the

<i>Redemption maturity dates</i>	<i>on</i>
1 September 1938, 1 March 1939 and 1 September 1939	1 July 1953
1 March 1940, 1 September 1940 and 1 March 1941	1 July 1954
1 September 1941, 1 March 1942 and 1 September 1942	1 July 1955
1 March 1943, 1 September 1943 and 1 March 1944	1 July 1956
1 September 1944 and 1 March 1945	1 July 1957

Austrian Loans Serviced through the Caisse Commune

- (i) Austrian Government Gold Rentes, 4 percent;
- (ii) Austrian 4½ percent redeemable Treasury Notes 1914;
- (iii) Austro-Hungarian Chartered State Railway (STEG) Bonds

The Federal Republic of Germany will pay to the Caisse Commune, in settlement of all claims which could be advanced against it for any reason regarding the above-mentioned loans, a total amount in the currencies involved to the equivalent of:

4,154,213 DM

which shall be paid by yearly instalments at the rate of exchange ruling on the appropriate date as follows:

equivalent of 689,895 DM on 1st July 1953
" 749,120 DM on 1st July 1954
" 818,663 DM on 1st July 1955
" 900,323 DM on 1st July 1956
" 996,212 DM on 1st July 1957

Five Percent Guaranteed Funding Bonds 1923 and 1926 of the Republic of Austria

The Federal Republic of Germany will pay, to the paying agent, in full settlement of all claims which can be advanced against it in respect of the above-mentioned bonds in French hands, a total amount in French francs equivalent on the basis of the rate of exchange ruling on 1st July, 1953 to 135,795 DM plus expenses.

Austrian Government International Guaranteed Loan 1933 and the Austrian Guaranteed Conversion Loan 1934

The German Federal Republic will pay, in settlement of all claims of whatever nature due to the Guarantor Governments (with the exception of Czechoslovakia), arising out of the above-mentioned loans, in respect of the period 12th March, 1938 to 8th May, 1945, a global sum in

various currencies which, expressed in sterling at the present rates of exchange, amounts to £3,600,000. The foreign currency quotas in which this amount will be payable will be communicated to the German Delegation in due course.

The resultant amounts, established in accordance with the rates of exchange at present ruling between the £-sterling and the various currencies, will be payable in fifteen annual instalments on 1st July of each year, beginning on 1st July, 1953.

Contributions to Netherlands

Disaster Fund

Press release 117 dated March 3

At a meeting in Secretary Dulles' office on March 3, the Secretary received a report from Clarence G. Michalis, national chairman of Holland Flood Relief, Inc., that cash contributions to his organization now total more than \$750,000. Mr. Michalis said that the personal property losses of flood victims are still many times the amount that has been contributed to date to the Netherlands Disaster Fund by his and other organizations, and that the cost of rehabilitating farms and homes may reach the equivalent of \$100,000,000.

Secretary Dulles said that the strength of the free world solidarity had been demonstrated by the immediate wave of sympathy by people everywhere for the personal tragedy that had struck thousands of Dutch, Belgians, and British.

Contributions to the Dutch from many countries, through the League of Red Cross Societies, now total more than 6 million dollars. In addition to the money and many tons of clothing contributed through Holland Flood Relief, Inc., Americans have contributed to the three countries, through established relief agencies, at least \$550,000. The agencies involved include the American Red Cross, CARE, Church World Service, National Catholic Welfare Conference, American Baptist Relief, Foster Parents Plan, Save the Children Federation, Mennonite Central Committee, Salvation Army, and the Lutheran World Relief.

Mr. Michalis is president of the Seamen's Bank for Savings, New York. He was accompanied by Albert Balink, national executive secretary of Holland Flood Relief, Inc.

Prince Faisal of Saudi Arabia Makes Courtesy Calls

White House Call

White House press release dated March 2

The President received His Royal Highness Prince Faisal, Foreign Minister of Saudi Arabia on March 2 at the White House. During the meeting matters of mutual interest to Saudi Arabia and the United States were discussed. The President expressed his great pleasure at having

the opportunity of receiving so distinguished a representative of a country with which the United States enjoys especially close relations. He expressed his concern over some evidence that there had lately occurred a deterioration in relations between the Arab nations and the United States. He stated that it would be his firm purpose to seek to restore the spirit of confidence and trust which had previously characterized these relations and he hoped that the Arab leaders would be inspired by the same purpose.

The President alluded to the many strong educational and cultural ties which had developed between the Arab world and the United States over a period of many decades and stated that he was confident that this provided a foundation of good will on which to build during the coming years to mutual advantage. The President also emphasized his great personal interest in the welfare and progress of Saudi Arabia and the other States in the Near East. The President requested Prince Faisal to convey his cordial greetings to His Majesty King Abdul Aziz Ibn Saud.

Call on Secretary Dulles

Press release 114 dated March 2

His Royal Highness Prince Faisal Al Saud, Foreign Minister of Saudi Arabia, called on Secretary Dulles on March 2.

Prince Faisal, second son of His Majesty King Abdul Aziz Ibn Saud, is Viceroy of the Hejaz as well as Foreign Minister of Saudi Arabia. He arrived in the United States to act as chairman of his country's delegation to the Seventh General Assembly, and since the close of the first part of the session has made an extensive tour of the United States.

He called on Secretary Dulles to pay his respects on behalf of His Majesty King Abdul Aziz Ibn Saud, and to discuss matters of mutual interest between the United States and Saudi Arabia.

Dr. Adenauer To Be Guest of the President

White House press release dated March 6

Dr. Konrad Adenauer, the Chancellor of the Federal Republic of Germany, will be in Washington as the guest of the President from April 7 to 9. The Secretary of State during his recent trip to Europe conveyed the President's invitation to the Chancellor for a visit to the United States. Since the Secretary's return to the United States, the dates of April 7, 8, and 9 have been agreed upon as satisfactory by the two Governments.

During Dr. Adenauer's stay in Washington he will be the guest of the President, staying at Blair House and attending a luncheon at the White House. It is also expected that President Eisenhower will participate in talks with the head of

the Government of the Federal Republic insofar as his schedule may permit. No agenda for the talks has yet been determined, but broad problems of mutual interest will be covered.

Visit of French Ministers

White House press release dated March 6

On behalf of the President, the Secretary of State, during his recent trip to Europe, conveyed an invitation to the Prime Minister of France, M. René Mayer, and to the Foreign Minister, M. Georges Bidault, to visit the United States. The dates for this visit have now been set for March 26, 27, and 28. The Prime Minister will also be accompanied by the Minister of Finance, M. Maurice Bourges-Maunoury and the Minister for the Associated States of Indochina, M. Jean Letourneau.

During the French Ministers' visit, they will stay at Blair House and attend a luncheon at the White House. It is expected that President Eisenhower, insofar as his schedule may permit, will participate in the talks of the French Ministers with officials of his administration. No agenda for the talks has yet been determined, but broad problems of mutual interest will be covered at that time.

Belgian Foreign Minister

Visits U.S.

Press release 136 dated March 14

Paul Van Zeeland, Foreign Minister of Belgium, will arrive at Washington on March 14 and will remain until March 18.

During his stay here he will meet with the Secretary of State and other Government officials. He will be entertained by the Secretary at dinner on Monday evening and at lunch by Representative Robert B. Chipperfield on Tuesday, March 17. He will address the National Press Club at a lunch on Wednesday, March 18. Baron Silvercruys, Ambassador of Belgium, will give a dinner in his honor on Tuesday evening.

On leaving Washington, M. Van Zeeland will go to U.N. Headquarters in New York where he intends to spend a few days.

U.S., Canada Sign Halibut Fishery Convention

Press release 113 dated March 2

Representatives of the Government of the United States and of Canada on March 2 signed at Ottawa a Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea. The convention was signed on behalf of the United States of America by the

Chargé d'Affaires *ad interim*, Don C. Bliss, and by the Special Assistant for Fisheries and Wildlife to the Under Secretary of State, William C. Herrington, and on behalf of Canada by the Minister of Fisheries, James Sinclair, and the Minister of Veterans Affairs, Hugues Lapointe.

The Prime Minister of Canada, L. S. St. Laurent, presided at the ceremony which celebrated the 30th anniversary of the signing of the first halibut fishery convention between the United States and Canada. This convention established the International Fisheries Commission, now to be known as the International Pacific Halibut Commission.

Military Assistance Agreement With Dominican Republic

The Departments of State and Defense announced on March 6 that a bilateral military-assistance agreement was concluded with the Government of the Dominican Republic.

The agreement was signed in Washington on behalf of the United States by John Foster Dulles, the Secretary of State, and on behalf of the Dominican Republic by Generalissimo Rafael Leonidas Trujillo Molina, Commander in Chief of the Armed Forces and Foreign Minister of the Dominican Republic. Negotiations looking toward the conclusion of this agreement were commenced in Ciudad Trujillo on September 22, 1952.¹

The agreement is the eighth bilateral military-assistance agreement which the United States has concluded with another American Republic. The other agreements, all very similar, are with Brazil, Chile, Colombia, Cuba, Ecuador, Peru, and Uruguay. The program of grant-aid military assistance to be carried out under these agreements was authorized by the Mutual Security Act of 1951, as amended, and is designed to assist the countries concerned in developing their capabilities to join in hemisphere defense missions which are important to the security of all the American Republics.

The agreement concluded with the Dominican Republic is consistent with, and conforms to, inter-American instruments already in effect, such as the Inter-American Treaty of Reciprocal Assistance (the Rio treaty), the resolution on inter-American military cooperation approved at the Washington Meeting of Foreign Ministers of 1951, and the continuous planning of the Inter-American Defense Board.²

¹ BULLETIN of Oct. 6, 1952, p. 537.

² For text of the agreement, see Department of State press release 129 of Mar. 6.

Credit to Brazil To Assist Liquidation of Commercial Arrears

The Board of Directors of the Export-Import Bank of Washington on February 21 announced the extension of a line of credit of up to 300 million dollars to assist Brazil in liquidating its past due U.S. dollar accounts.

The granting of the credit follows months of negotiation between the Governments of the United States and Brazil subsequent to the visit to the United States in September 1952 of Minister of Finance Lafer of Brazil. These negotiations were conducted on behalf of Brazil by Ambassador Walther Moreira Salles. In December 1952, technical experts of the Banco do Brasil spent several weeks in Washington with representatives of the Export-Import Bank discussing and analyzing Brazil's foreign-exchange position, including its arrearages on U.S. dollar accounts. In the first 2 weeks of January of this year two representatives of the Export-Import Bank went to Brazil and had further discussions with representatives of the Bank of Brazil and the Ministry of Finance on the details of the problem.

During the course of these lengthy negotiations, Brazil was engaged in setting the stage for instituting a free exchange market. In December the Congress of Brazil enacted legislation providing for such a market, which legislation was approved by President Vargas on January 7, 1953. Appropriate regulations have been promulgated providing for the institution of the free exchange market on February 21, 1953. While the free exchange market will be a limited one, particularly at the outset, it is hoped that it will play a vital part in increasing Brazil's exports and the flow of private capital into Brazil.

The credit is being extended to the Banco do Brasil and will bear interest at the rate of 3½ percent per annum and will be repayable over a period of 3 years beginning next fall.

By supplementing the credit with its own resources, Brazil will undertake to be current on U.S. dollar account by July 1, 1953, and to institute and maintain a prompt remittance system for current imports from the United States.

Brazil is carrying forward a broad program to solve its economic problems and the payment of the commercial backlog is essential to the success of this plan. The liquidation of commercial arrears and the institution of a prompt payment system represents the determination of Brazil to re-establish normal and healthy relations with the U.S. business community. The success of the loan negotiations is also in the best tradition in the long history of friendly political, economic, and military cooperation between the two countries.

The Free World's Responsibility for Korean Reconstruction

Statement by Henry Cabot Lodge, Jr.

U.S. Representative to the General Assembly¹

U.S./U.N. press release dated March 7

In the brief remarks which I shall make, I shall speak first of the resolution on economic assistance to Korea² and then conclude with a few observations on the broad underlying proposition of ending the fighting.

The Communist aggression in Korea has not only caused great military burdens. It has also created grave economic problems. Destruction, hunger, sickness, grief, and misery have overwhelmed millions of South Koreans. Both military commanders and U.N. agencies early recognized that extraordinary steps would be necessary to combat these ravages. Fifty-two countries, both members and nonmembers of the United Nations, have contributed to that end, and I shall review briefly some of the achievements because they are impressive.

In the first weeks of the Communist onslaught, the U.N. Civil Assistance Command in Korea comforted more than 2 million refugees and war sufferers. Special feeding stations and medical teams were established along the main refugee routes to provide emergency rations and medical care. Special provisions were made for housing. In preparation for the winter, tents for the civilian population were ordered by the thousands, blankets by the hundreds of thousands, dried milk and soap by the ton.

As the U.N. armies turned the tide and moved northward, another 900,000 refugees from Communist aggression increased the size of the multitude needing care. Later, when the Chinese Communists joined the aggression, the U.N. Command was faced with the movement of stricken humanity unprecedented in modern times, which according to the military relief authorities' report of September 30, 1951, was greater even than that in Europe at the end of World War II. That is

a fact I think that many people do not realize. Nearly 5 million persons, including hundreds of thousands who fled from North Korea, required outside help in order to survive.

One of the remarkable international emergency human-welfare operations of our day occurred at this time. While the U.N. forces were still locked in battle in the Pusan perimeter, medical and sanitation supplies were taken in by airlift from Japan. Teams of Korean doctors, nurses, and technicians were organized to use them. Later, in a 7-month period in 1951, 67 percent of the Korean population were immunized against typhus, 87 percent against typhoid, and 70 percent against smallpox. By the end of the summer of that year, 75 percent of the population had been protected against communicable diseases by being dusted by DDT powder.

In the critical first 9 months of 1951, inpatient care was provided by special medical units to over 1,750,000 persons, and outpatient care to more than 5,250,000 persons. This 9-month total exceeds the combined population of Boston, Milan, Cairo, New Delhi, Valparaiso, and The Hague.

These are the facts, in sketchy form, covering only the early critical months of the Korean conflict. But, moving as they are, they represent simply a support operation for the Korean people themselves. The Korean people have been sturdy under a great trial. They have been resourceful in using the materials at hand. They have been patient in extreme adversity. Their contribution to the defense of freedom in this bitter struggle can never be computed nor can the free world calculate its debt to them. By their incalculable sufferings they have earned our confidence and profound admiration.

As the war continues, their resistance requires our continued aid. We must be alert to the danger that by the sapping of civilian strength the aggressors might achieve the goal they have failed to win by military assault. The United Nations has played and must continue to play a vital role in this operation.

¹ Made in Committee I (Political and Security) on the Unification and Rehabilitation of Korea.

² U.N. doc. A/C. 1/L. 21 dated Mar. 5. The Committee approved the resolution on Mar. 9 by a vote of 55 to 5 (Soviet bloc).

From the very first, the United Nations has been the vehicle and the agent by which extensive amounts of relief have been funneled to the Korean people from both governments and private organizations. In the early days the Security Council by its resolution of July 31, 1950, put all emergency relief in the hands of the Unified Command. By the end of 1952, more than 30 governments, both members and nonmembers of the United Nations, had contributed to the program. Contributions since the outbreak of hostilities have totaled \$358,000,000. Of this sum, \$321,688,000, exclusive of services, was contributed by the U.S. Government, and \$17,389,000 by other governments. In addition, the U.N. specialized agencies and private voluntary organizations in many countries have contributed almost \$20,000,000 through gifts of funds, clothing, medicines, and other supplies.

This is what is called the emergency program. Through it the U.N. Command prevented mass starvation and epidemic disease under extremely difficult conditions. This is no small feat in a country where a large proportion of the people have been displaced and where active military operations continue.

In addition, the U.N. Command has made substantial repairs to mainline railroads, bridges, and highways, to municipal water systems, and to power generating and distributing systems. These are considerable accomplishments. But they have not been enough to secure for the Koreans that rehabilitation of their economy which is the only real answer to the Communist destruction.

The Korean Rehabilitation Program

The need for such rehabilitation was seen by the General Assembly as early as December 1950. To fit that need the Fifth Assembly created the U.N. Korean Reconstruction Agency. This reconstruction program was to be undertaken as a supplement for the general recovery program of the Korean people. Emphasis was to be placed on rehabilitation. Its purpose was to get them back to the point where they could stand on their own feet and develop their own country in their own way.

Upon the passage of the resolution creating the Reconstruction Agency, a Negotiating Committee was set up by the General Assembly to solicit contributions toward an initial fund of \$250,000,000. Pledges were received totaling \$205,000,000, of which the United States offered \$162,500,000.

In the meantime, the continuation of the Korean conflict has severely restricted the scope of operation of the organization. All of the peninsula is a war area. In these circumstances, the full-scale rehabilitation work of the Reconstruction Agency could not be undertaken. With the aid of the specialized agencies it has, however, provided extensive assistance to the Civil Assistance Command

by supplying teams of experts in specialized fields such as agriculture, health, and sanitation. Some 130 of these experts are now in Korea with the U.N. Command, all paid for with Reconstruction Agency funds.

In recent months it has been possible to undertake an expansion of U.N. Korean Reconstruction Agency activities, and, in cooperation with the Unified Command, a program of \$70,000,000 has been approved, some of which is now under way. Under it, grain and consumer goods are being imported to help combat inflation. The rehabilitation of the Taegu Medical College and Hospital is in progress. Supplies are being purchased for the production of vaccines at the National Veterinary Laboratory; preparations are under way for dredging and restoring the harbor of Kunsan, thereby relieving other ports. Engineers are surveying the possibilities of increasing coal production, and work has been started in housing, education, vocational training, school repair, and health clinics.

This is only a beginning but it is symbolic. In the struggle for freedom, those who pay the greatest price, whose native land bears the scars of conflict—these, the valiant, must not be abandoned to the barren prospect of a victory of devastation. The totalitarian aggressor is the enemy of democracy; no less an enemy is starvation, disease, and despair of the future.

The sober truth is that no free nation anywhere is immune to attack by the same callous force that has chosen hapless Korea as a testing ground for violent aggression. Let us thank God that the Korean people had the courage to hold the line until other free men could come to their aid—and that they have persevered and have not lost faith.

We must justify that faith by proving that the collective resources of the free world truly stand behind those who do resist. We cannot afford to allow free Koreans to suffer destruction and desolation without aid in the reconstruction of their economy any more than we could allow them to be overrun without coming to their assistance.

If we furnish this necessary help, lovers of freedom everywhere can take hope in the face of the colossal Communist design for tyranny which the world confronts.

The U.N. Korean Reconstruction Agency is symbolic of our collective international concern and responsibility to supply the means by which the Korean people can begin to rebuild their unhappy land, to bind up their wounds. It will require continued contributions and sacrifice on the part of every nation and every people. But it is worth the sacrifice since it is indispensable toward the goal of lasting peace.

It is with this purpose that the United States, in collaboration with Canada, Denmark, France, the Philippine Republic, Thailand, and the United Kingdom, has introduced the resolution now before this Committee. Since this resolution was

introduced, an amendment has been offered and circulated by the delegation of Egypt.³ This amendment the sponsors gladly accept.

That concludes the statement that I wish to make about economic assistance. I will conclude my remarks completely with a few words on the basic issue of ending the fighting in Korea.

Waiting for the Soviets

Let me say that one of the enlightening results, to me that is, of our deliberations here in this Committee in the past 10 days has been the clear evidence of the apparent contempt which the delegates from the Communist bloc have not only for us who are assembled in this room, to which I imagine we are accustomed, but a similar contempt for the intelligence of the everyday men and women throughout the world. It is obvious, of course, that they do not expect any of us here to believe the things which they say, and it is also obvious that they do not much care whether we believe them or not. Therefore, the only possible inference that can be drawn is that they do expect someone outside of this room to believe them.

Yet, even when this proposition is submitted to a careful analysis, it becomes manifestly absurd. How could any person in any part of the world believe, for example, that the United States was the aggressor in Korea when within 2 weeks after the Korean war broke out the handful of U.S. forces which were rushed to Korea pursuant to the Security Council appeal were almost pushed back into the sea?

You know, that reminds me of an anecdote which was written by an American humorist who lived back in the 1860's, at the time of our Civil War when Abraham Lincoln was President. In fact, Abraham Lincoln used to read some of his works to give himself some relaxation from the horrors of our Civil War. This man's name was Artemus Ward, and one of the things that he wrote described a contest, in which the man said, "Inserting my nose carefully between my opponent's teeth, I felled him to the floor."

Well, to accuse us of being the aggressor is on a par with that. No one could believe that.

How could anyone believe all this talk about ruling circles? I hear this phrase "ruling circles" all the time. I do not know what the phrase is in Russian, and I can't help but wonder whether it is being translated correctly. There aren't any ruling circles in this country. Anyone who followed the election last November, when there was a complete change of government, knows that there are no ruling circles. Anyone who knows anything about America, which you all do as you all live here in New York, knows that there are no ruling classes and that the Government in this country is operated in accordance with the opinions

of the people and the aspirations and the aims of the people.

I think perhaps the greatest absurdity of the many absurdities which I have heard in the last 10 days is the idea that the American people want war in Korea. I just suggest, and I speak with some personal experience, to the Soviets that any of the delegates of the Communist bloc here ask one single American family who have a son or a brother or a husband in Korea whether they want peace in Korea. It is the craving of the American people for peace in Korea that is in considerable measure responsible for the election of the new Administration. And it is to satisfy that ardent desire for peace that the U.S. Government, which I have the honor to represent here, is dedicated.

I mention this not because I think the statements by the representatives of the Communist bloc do us any harm. They do not do us any harm because they are too fantastic, but they do not do anyone any good. I just suppose they must fill some obscure mystic need in the Communist dream world.

Now, I close by first summarizing the position of the Soviet Union as it was revealed here in the last 10 days, and then reiterating the stand of the free world. This position I think can be summarized this way:

The Soviet Union will not agree to peace in Korea. It will not allow the Chinese Communists and the North Koreans to make peace in Korea. It insists that the war continue to the last Korean and the last Chinese. It insists on continuing the program of subjugating a free Asian nation to foreign tyranny and continues its futile attempt to garb the aggressors in sheep's clothing. It is the stark truth that there could be peace in Korea tomorrow if the Communists accepted the Indian resolution and dropped their insistence that force must be used against prisoners.

At least 95 percent of the 10 facts which I submitted here in my opening speech⁴ concerning the help which the Soviet Union is giving to the aggressors in Korea was admitted by Mr. Vyshinsky—a really staggering admission of guilt which has already had a resounding effect on world opinion and the fundamental nature of which will grow and become more and more evident as the months go by. The figures and facts which I gave about the guns and the tanks, the naval mines and the radar equipment, the conventional planes, and even the most modern and the latest jetplanes, have been admitted by Mr. Vyshinsky to be about 95 percent. That is a very stark contemplation.

On the other hand, the free world remains determined to stand by the Indian resolution and the principle that no prisoner should be returned against his will—a human principle if ever there was one; a principle which clearly delineates the difference between us because it shows where man

³ U.N. doc. A/C. 1/L. 22 dated Mar. 6.

⁴ BULLETIN of Mar. 9, 1953, p. 382.

is considered to be the master of the state and where man is considered to be the servant of the state.

We refuse to support a cease-fire which leaves thousands of U.N. prisoners as hostages in Communist hands. Communist intransigence compels us to face the facts with courage and determination and to continue to strive against aggression until the moral and physical power of the United Nations has had its inevitable effect, which I think will be soon in coming.

We, therefore, are resolved that the action in Korea must be brought to a successful conclusion as soon as possible and with a minimum of bloodshed. The United Nations is ever ready to solve the Korean problem honorably by peaceful means.

Soviet Foreign Policy Based on Fear

*Statement by Henry Cabot Lodge, Jr.
U.S. Representative to the General Assembly¹*

U.S./U.N. press release dated March 11

It has been obvious from the foundation of the United Nations that it cannot, alone, create peace as long as one of the major powers is dead set the other way. At the last session, the United Nations adopted the Indian resolution which made an extremely fair offer for ending the fighting in Korea—an offer which was acceptable to all of the members of the United Nations except the Soviet Union and its satellites. The Indian resolution, representing the opinions of 54 nations, was contemptuously rejected by the Chinese Communists.² Chou En Lai, the Foreign Minister of the Chinese Communist regime, even went so far as to say in his political report of February 4, that the Korean war "has greatly", and I quote, "reinforced the strength and influence of the world camp of peace and democracy headed by the Soviet Union." This extremely damaging statement showed first, that Chou En Lai approves of the Korean war and second, it shows the place from which he gets his instructions.

At the opening of the present resumed session, I submitted 10 facts showing that the Soviet Union was actively assisting the aggressors in providing guns, tanks, radar, naval mines, conventional planes, and jet planes. And somewhat to my astonishment, the truth of virtually all of these statements was admitted by the then representative of the Soviet Union; a staggering event, the effects of which on world opinion will become more and more evident with the passage of time.

This morning we have heard the representative of the Soviet Union attack the U.S. Army and

¹ Made on Mar. 11 in a plenary session on Korea.

² BULLETIN of Jan. 12, 1953, p. 75. For text of the North Korean rejection of the resolution, see *ibid.*, Mar. 16, 1953, p. 422.

speak of alleged crimes and acts of terror committed by the U.S. Army. I would like to say to him here that the U.S. Army, which you have sought to smear here today, is the same U.S. Army that stood beside the Russian Army to defeat nazism in World War II. The men in the U.S. Army in Korea today are the sons and the younger brothers, and in some cases they are the same men, who made up the U.S. Army in World War II. The U.S. Army was good enough for you in 1942, 1943, 1944, and 1945. It has not changed. It should be good enough for you now, and would be if your Government's position had not so tragically changed.

Millions of Americans remember the time when the Germans made their last great offensive through the so-called Bulge in Belgium and Luxembourg. Throughout the whole front American troops were at that time constantly alerted to German attack. And many of us can well remember the relief with which they heard the news that a few days later on the German eastern front the Russians were again attacking. We remember that with appreciation. In those days, Mr. Representative of the Soviet Union, your country was held in great respect. You had many friends, but you have lost a great deal of that friendship and respect in the years that have gone by.

You have lost them because of the fear which seems to motivate everyone in an official position in your country. This fear is not a rational fear of attack from the outside. The Soviet leaders know full well that they need not have any fear of any aggression against Russia by the free world. It must be a fear of their own people, a fear that stems from the tyranny which they impose on the Soviet people. It is this fear which motivates Soviet imperialism and which gives to the Kremlin leaders these dreams of world dominion.

In 1950, as a delegate to the Fifth General Assembly, I urged the Soviet Union not to be afraid. The more I study the subject, the more I am convinced that fear is at the bottom of all the violent words and violent deeds which distinguish the foreign policy of the Soviet Union. And yet you are trying to block the irresistible onward march of the human race because that onward race is in the direction of increased human rights and increased belief in the dignity of the individual.

At the Political Committee meeting last week, the Soviet representative said to me, "You are going to lose Asia anyway." That astounding remark made me realize how far apart his view of humanity is from mine. The United States is not trying to get Asia. We have never thought of Asia as some sort of object inhabited by slaves which was to be won or lost by outsiders. We believe that the people of Asia, like the American people and like all other people, have the right to live their own lives and to develop themselves in

their own way. If, instead of talking about Asia as a prize in some game of power politics, the Soviets would join us in the economic and technical-assistance conferences to help the people of Asia in eradicating disease, in draining the swamps, in irrigating the deserts, in increasing the food supply, then we would be taking a big

step toward peace. But their only answer, so far, is a foreign policy consisting entirely of violent words and violent deeds. This kind of foreign policy will never bind up the wounds of the world, and we look for the day when this truth will be apparent to all, even to the rulers of the Russian people.

Developing the Skills of Pacific Settlement

*Statement by William Sanders
U. S. Representative to the General Assembly¹*

U.S./U.N. press release dated March 12

The 11-power draft resolution now before us² carries forward the program of the Uniting for Peace Resolution. It merits the support of every nation which voted for that resolution. Perhaps it is not too much to hope that it would receive the support it should have from every signer of the Charter of the United Nations.

The draft resolution sponsored by the 11 powers merely confirms and reinforces the program on which, during the last 2 years, we have achieved a wide measure of agreement. I think our discussions in the interval have greatly increased our understanding of the meaning and implications of the Charter idea of collective security contained in the Uniting for Peace Resolution.

The draft resolution now before us offers to the member states and to the Collective Measures Committee a program solidly founded on certain principles expressed in the Uniting for Peace Resolution, all of them inherent in the Charter itself.

These principles are:

1. That the temporary incapacity of the Security Council to fulfill its Charter obligations

to maintain the peace must not be allowed to incapacitate the whole United Nations.

2. That the General Assembly must develop its own Charter resources for the maintenance of international peace and security.

3. That each Member State has an obligation to develop its own capacity to deter or to suppress aggression.

4. That, pending the conclusion of the agreements provided for in Article 43 of the Charter, the United Nations must develop means whereby the Member States can effectively and promptly act together in defense of the peace.

The draft resolution we are now considering, like the Uniting for Peace Resolution, expresses the Assembly's recognition that it must assist member states to prepare themselves to meet the challenge of an interdependent world.

The interdependence of nations, like a small house which shelters a large and growing family, is an argument for peaceful cooperation. It is at the same time a breeder of difficulty and dissension. In such a world, any threat of violence or act of violence is a worldwide danger. Our geographic connection or separation from the potential victim is irrelevant.

The meaning of the U.N. action in Korea goes beyond the fact that aggression in Korea was met by collective action. Additional significance lies in the warning that in the future a would-be aggressor must take into account not only the strength of the immediate victim but the combined strength of the United Nations.

The Uniting for Peace program makes it plain to would-be breakers of the peace that U.N. collective action in Korea is not an accident. It is a precedent.

¹ Made on Mar. 12 before Committee I (Political and Security) on "Methods Which Might Be Used to Maintain and Strengthen International Peace and Security in Accordance With the Purposes and Principles of the Charter: Report of the Collective Measures Committee."

² U.N. doc. A/C.1/L.27, dated Mar. 12. The 11 powers which sponsored the resolution were Australia, Belgium, Brazil, Canada, France, the Philippines, Turkey, the U.K., the U.S., Venezuela, and Yugoslavia.

The General Assembly on Mar. 17 approved the resolution by a vote of 50 to 5 (Soviet bloc). India and Indonesia abstained from voting.

Program's Sole Aim To Deter Aggression

The resolution and the report³ now before us deal with instruments of peace. The increased capacity of the members of the United Nations to combine their strength in case of need will act as an incentive to pacific settlement. Would-be aggressors are tempted to commit aggression only when they think they can get away with it. We are not faced with a choice between collective security and the pacific settlement of disputes. Collective security protects the road to the conference table.

At San Francisco, when we agreed to take "effective collective measures for the prevention and removal of threats to the peace," the aggressor we were organizing to deter and to resist was a nameless, faceless, unidentified figure. By late 1950, when this Assembly approved the Uniting for Peace Resolution, the United Nations had been forced to take the field to put an end to a specific act of aggression. Nevertheless, the Uniting for Peace Resolution was not directed against the North Koreans nor against their allies. It was not directed against any specific nation or nations. The resolution was directed solely against the act of or the threat of aggression.

The resolutions which develop the Uniting for Peace program have no punitive clauses. They say no derogatory word about any member nation. Their whole purpose is the defense of the peace, and they contain no provision which is not directed to that purpose.

The Soviet Union, however, attacked the Uniting for Peace Resolution, and last year's related resolution, as illegal.

The tragedy is that the Soviet Government should actually see, or claim to see, enmity against themselves in this action. They see threats where there is no threat. The face of the enemy seen by the men in the Kremlin can only be their own reflection cast back upon them by the barrier they have raised between themselves and the rest of the world.

It would be less than honest to deny that the present policy of the Soviet Union, as it reveals itself here and around the world, does give a special urgency to the defensive planning of all free nations—in our own capitals, in our regional arrangements, and here in the United Nations. And yet, I must repeat, neither on paper nor in purpose is the resolution before us, nor previous resolutions of the General Assembly, directed against anyone. They are directed only against aggression. Their whole job is to devise methods, in the words of the Uniting for Peace Resolution, which "might be used to maintain international peace and security in accordance with the purposes and the principles of the Charter, taking account of collective self-defense and regional arrangements." A careful reading of these res-

olutions, and of the two reports of the Committee, cannot help but convince any free mind that no one who plans to live within the framework of the Charter need fear the Uniting for Peace program.

Any nation which feels itself threatened need only join with fellow members of the United Nations in our efforts to mobilize our power to prevent the abuse of power.

In our electronic age, decisive units of time are no longer measured in weeks and days, but in hours, minutes, and even seconds. A 2-day delay in Korea might have seen the aggressor triumphant. We must use the time, bought at such high cost in men and goods in Korea, to develop the means to strengthen universal peace.

The need for speed in mustering resistance to sudden attack obviously puts a premium on advance planning, or at least on preliminary and preparatory thinking of the kind reflected in the two reports of the Collective Measures Committee.

If this is true for a single nation, how much more important it is to discuss and think through in advance the complicated preparation required for the united and coordinated action of many nations. The preparatory work done in advance by individual members or the Committee can be counted as a timesaving asset for all of us, which may some day be converted into lifesaving time for the cause of peace.

In its second report, noted in the resolution now before us, the Committee presents a series of concrete suggestions. It does not ask of states the impossible. Their varying capacities are recognized. While member states are expected to accept their responsibility to unite their strength and effort in furtherance of Charter principles, each state determines for itself, in accordance with its own constitutional procedures and its own capacity, the contribution it can make to the common cause.

During the past year, the Collective Measures Committee gave particular attention to preparatory steps which might be taken by states in respect to armed forces, assistance and facilities, and legislative and administrative arrangements which would enable them to cooperate effectively in collective measures. It considered the role of specialized agencies in a collective-security program. It explored further the problem of the equitable sharing of burdens and of economic assistance to the victims of aggression.

Maximum Participation in Minimum Time

The report suggests the possibility of establishing an *ad hoc* negotiating committee to deal directly with states at the time of collective action by the Security Council or the General Assembly. This is an excellent example of the kind of flexibility that must characterize the work of the Collective Measures Committee, which is necessarily directed toward a wide variety of unspeci-

³ U.N. doc. A/2215 dated October 1952.

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fied and unpredictable situations. It does not call upon states to make decisions in advance of the events which must determine these decisions. It does establish a method available to the Council, or to the Assembly, of expediting the slow business of decision and coordination in order to achieve maximum participation of members in minimum time.

The list prepared this year by the Committee, of arms, ammunition, implements of war, and of other strategic items, is another timesaving device now available to speed up the effectiveness of any embargo which may be decided upon or recommended by the Security Council or the General Assembly.

The Committee this year once again reemphasized the importance of mutual assistance in the application of collective measures. Cases may arise in which economic and financial assistance may have to be provided to relieve inordinate burdens on cooperating states. In my Government's view, help should be provided on an equitable basis by all cooperating countries.

So far, the Committee has been able to give no more than preliminary consideration to the Secretary General's proposals for a U.N. Voluntary Reserve. The proposals envisage reserves within national military establishments which could be made available to the United Nations. They were designed to overcome some of the difficulties involved in the creation of a U.N. Legion completely outside national military establishments. The Committee has not been able to explore the proposals sufficiently to take any decision on the merits of their political possibilities or military feasibility. This is a problem to be further explored, and it points up the usefulness of having a Committee which can give such proposals the careful study they require.

In our view, Mr. Chairman, the work of the Collective Measures Committee has been of great value in outlining the problems which confront the General Assembly and the member states in developing and maintaining an effective collective-security system and in pointing ways toward their solution.

We believe that it is important for the Collective Measures Committee to continue its studies of ways and means for strengthening the capacity of the United Nations, particularly in light of the problems revealed by the information received and to be received from states. It is already obvious that some states, which genuinely desire to cooperate in a collective-security system, find it difficult to maintain particular forces available for U.N. action anywhere. It is possible that further study by the Collective Measures Committee might reveal other and more flexible means for such nations to develop the armed assistance which would, under varying circumstances, be promptly made available for collective U.N. action.

The Uniting for Peace program is a long-range

program. It will take time and mutual encouragement for each state to become fully aware of the meaning of its responsibilities to an effective system of collective security. A full acceptance of responsibility cannot help but reveal new ranges of practical difficulties. The Collective Measures Committee can be of continuing help to all of us in thinking through our problems and preparing to meet our responsibilities.

The Committee can also learn much from a study of the preparatory work undertaken in the several states. New ideas may be expected to emerge from the lessons of experience. Such an expanded view of the meaning and possibilities of collective action should encourage wider participation. Thus, regional and collective self-defense arrangements can make important contributions, and even nonmember states are enabled to join their strength with that of the United Nations. In this way, the purpose of the Charter to combine the efforts of *All* peace-loving states in an effective system of coordinated collective security is carried forward.

We welcome the opportunity to join with our colleagues in every active effort to build and reinforce the structure of a just peace. If we deplore the suspicion with which a few of our fellow members look upon these efforts and their refusal to add either their labor or their good will, it is not because we intend to belittle in any way the accomplishments of the Collective Measures Committee in the past, nor its possible usefulness in the future. It is because we recognize the unhappy fact that the achievement of real security must wait until the day when all states are ready to work actively together to fulfill the promises of the Charter.

Meanwhile, we can work with what we have. The better the system we develop, the less likely we are to have to use it. Any system of collective security will have fulfilled its real purpose only if all of our soldiers remain at home, our planes pursue only the commerce of peace, and all of our studies remain in the inactive files.

We cannot escape the paradox inherent in this reality. As has been said: "Justice without force is impotent, force without justice is tyranny." The United Nations is organized to reserve all force for the service of justice, but this aim cannot be achieved until we all assume our full responsibility to see that justice is not impotent.

Looking upon the world as it is, we cannot help but recognize the urgent need to develop the most effective means we can find to prevent the unlawful use of force and to develop the skills of pacific settlement.

For all of these reasons, my Government supports the resolution continuing the constructive work of the Collective Measures Committee. We do so in the fervent hope that it will help us to act together with foresight and with energy to achieve a world devoted to peaceful activities.

U.N. Consideration of Greek Repatriation Issue

Statement by James J. Wadsworth
U.S. Representative to the General Assembly¹

U.S./U.N. press release dated March 9

The question now before us in this Committee, like the tragic problem of Greek children, is not new. As pointed out in the explanatory memorandum submitted by the delegation of Greece, the General Assembly adopted a separate resolution on this problem on December 1, 1950. That resolution was adopted after consideration of the unanimous conclusions of the U.N. Special Committee on the Balkans concerning those members of the Greek armed forces who were captured by the Greek guerrillas and taken into countries north and east of Greece where, with the exception of Yugoslavia, they are still being detained.

The Special Committee on the Balkans, in its 1950 report to the General Assembly, pointed out that the members of the Greek armed forces in question cannot be regarded as prisoners of war of the states by whom they are detained and that there is, in fact, no valid basis under international law for their continued detention. In its 1950 resolution on the subject, the General Assembly recommended the repatriation "of all those among them who express the wish to be repatriated," and called upon the states concerned to take the necessary measures for speedy implementation. The International Red Cross Organizations were requested to insure liaison with the national Red Cross Societies of the states concerned with a view to implementing the resolution.

The Cominform countries have refused all cooperation with the International Committee of the Red Cross which sought to ascertain from them the names and whereabouts of the Greek military personnel within their territories. The sole exception to this sorry picture is the course followed by Yugoslavia, which has rendered the necessary cooperation and has repatriated to Greece a number of these individuals. The central point, of course, in the General Assembly's efforts to resolve this basically humanitarian problem is that those among the Greek military personnel concerned who "express the wish to be repatriated" should be freely allowed to do so. No other procedure is admissible or defensible. Of course, it was contemplated by the General Assembly that the true wishes of the individuals concerned, once they could be clearly identified and located, would be verified where necessary by the impartial representatives of the International Committee of the Red Cross. The detaining countries of the Cominform bloc, whatever their motives may be, have rejected or ignored the at-

¹ Made on Mar. 9 in Committee I (Political and Security) on Repatriation of Greek Military Personnel Retained in Various Countries of Eastern Europe.

tempts made to ascertain clearly who and where these members of the Greek armed forces are, and to provide them with an opportunity to state freely their desire as to repatriation. This behavior constitutes not only contemptuous defiance of the will of the General Assembly but cynical disregard of fundamental humanitarian principles and of accepted international practice.

In Korea the Soviet-Communist position is that hostilities must continue unless all prisoners of war, regardless of their wishes, are forcibly repatriated. In the present case, the persons concerned cannot be considered as prisoners of war since at no time during the Greek guerrilla fighting were any of the detaining powers engaged in direct belligerent action against Greece. Despite this fact the Soviet Communists maintain in practice that none of the members of the Greek armed forces should be repatriated, and they block all steps which might help to determine the true wishes of the Greek military personnel. Under no possible interpretation of international law is there any right to continue the detention of those members of the Greek armed forces who wish to return to their homeland.

During the sixth General Assembly, this problem was not discussed except for the statement, which was fully accepted by the *Ad Hoc* Political Committee on January 31, 1952, that the pertinent General Assembly resolution of 1950 was to be considered as continuing in force until or unless the Assembly were to take contrary action. More than 2 years have passed since the Assembly recommended the proper and humane procedure to be followed which would permit those of the Greek military personnel who wish to do so to return to their native land and their families. The United States fully agrees that the General Assembly "cannot remain silent in the face of such a negative attitude towards a resolution with so high a humanitarian purpose. . ." The guerrilla war was concluded in 1949; the Greek soldiers concerned have been arbitrarily and illegally detained in the various countries of Eastern Europe with the exception of Yugoslavia, for from 3 to 4 years. What is the purpose of this inhuman and cruel policy on the part of the Eastern European states within the Soviet system? Perhaps they will seek to pretend that these individuals (as was argued by them on the subject of Greek children) can lead freer, happier, and more prosperous lives behind the Iron Curtain behind which they have disappeared. Surely they will not expect us to take such arguments seriously. Or perhaps they may argue that, because these people have been gone for several years, the Greek Government might treat them severely if they were to be returned. May I remind the Committee that all that has been sought is the return of those who definitely desire repatriation and who are enabled freely (and I emphasize the word *freely*) to express that wish. It would be absurd to imagine

that such individuals would be received in Greece other than with rejoicing of their families and with the warm welcome of their own national government.

The U.S. delegation believes that the Secretary General and the International Red Cross Organizations deserve our sincere appreciation for the continued efforts they have made in this humanitarian cause. It is consistent that the General Assembly should address an earnest appeal to the Governments concerned to conform their attitude in this question with the generally acknowledged principles of international law, for this will serve to buttress the recent request, reported in General Assembly document A/2365 of February 17, 1953, of the International Committee of the Red Cross to the National Red Cross Societies of Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania, and the U.S.S.R. urging them to inform the International Committee "of their governments' intentions with regard to the problem of the Greek nationals and of any conditions which their Governments might wish to place on the repatriation of these persons." It is consistent also that the General Assembly should request its President to consult to this end with the Cominform Governments in question, and that the Secretary General should keep this humanitarian issue under review and notify member states of important developments in this issue.

My delegation believes that the draft resolution sponsored by Denmark, New Zealand, and Peru² is consistent with the moral, humanitarian, and legal position which the General Assembly has always taken on this problem and will therefore wholeheartedly support that draft resolution.

General Clark Denounces Revived "Germ Warfare" Charges

Following is the text of a statement made on February 24 by Gen. Mark Clark, United Nations Commander in Korea:

Lest silence regarding it be misinterpreted in any way, I feel under compulsion to denounce the word-warring Peiping radio's latest attempt to revive the totally baseless and totally discredited allegation that the United Nations Command has engaged in so-called germ warfare.

Instead of meaningless jargon of pseudoscientists, it now introduces incredible statements linked with the names of captured American personnel. Whether the statements ever passed the lips of these unfortunate men is doubtful. If they did, however, too familiar are the mind-annihilating methods of the Communists in extorting whatever words they want for there to be any mystery as to how they were fabricated. The men them-

² U.N. doc. A/C. 1/L. 23 dated Mar. 9. The General Assembly on Mar. 17 approved the resolution by a vote of 54 to 5 (Soviet bloc).

selves are not to blame, and they have my deepest sympathy for having been used in this abominable way.

The only possible explanation for this broadcast is that the Communists, in anticipation of new outbursts of disease among their miserable people with the spring thaws, must be seeking desperately to conceal their own criminal responsibility for chaotic public-health services by making these fantastic and utterly false charges against the United Nations Command. They will see to it, we can be sure, that no reputable and qualified authorities from outside the Iron Curtain will be allowed within to reveal the truth.

I reaffirm with the utmost emphasis that neither the United Nations Command nor any component of its forces ever has engaged in bacteriological warfare, or anything that might be mistaken for it in Korea or anywhere else.

Current United Nations Documents: A Selected Bibliography¹

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¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

The United Nations Secretariat has established an Official Records series for the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, and the Atomic Energy Commission, which includes summaries of proceedings, resolutions, and reports of the various commissions and committees. Information on securing subscriptions to the series may be obtained from the International Documents Service.

The United States in the United Nations

[March 6-12]

Security Council

The Security Council met in private on March 11 to consider the question of the recommendation for the appointment of the Secretary-General of the United Nations. The United States proposed that the Council should recommend the appointment of Brig. Gen. Carlos P. Romulo (the Philippines); the representative of the U.S.S.R. proposed Stanislaw Skrzesezewski (Poland); and the representative of Denmark proposed Lester B. Pearson (Canada).

General Assembly

On March 11 the General Assembly adopted a resolution reaffirming the objective of the United Nations "to provide relief and rehabilitation in assisting the Korean people to relieve their sufferings and to repair the great devastation and destruction in their country" and calling upon all to help, within their financial and constitutional limitations, in meeting this "great and continuing need."

The vote was 55-5 (Soviet bloc)-0. A Soviet proposal "to discontinue the United Nations Commission for the Unification and Rehabilitation of Korea as being incapable of discharging the tasks assigned to it" was then put to a vote and rejected by a vote of 5-54-0.

Anthony Eden (U.K.), in an explanation of vote, said that history might show that "by taking up the challenge in Korea," the United Nations had "averted the horrors of a third world war." North Korea and Communist China would have no real interest in prolonging the Korean conflict, and must in time realize that it did not pay to pursue a policy that united the free world against it.

If there were evidences of a change of heart, he went on, "there will be no lack of response from our side," for the United Nations was "resolutely and absolutely sincere in its desire to end the war." It lay in the power of "those who began the conflict" to agree now to an armistice; the opportunity and responsibility were theirs.

Andrei Gromyko, explaining the U.S.S.R. delegation's vote, renewed Soviet charges of U.S. reluctance to end the war and of atrocities committed

against prisoners of war by the U.N. Command. His statement was immediately refuted by Ambassador Henry Cabot Lodge, Jr., who pointed out that the Indian resolution for ending the war had been acceptable to all but the Soviet Union and its satellites, who had "contemptuously rejected" it.

Mr. Lodge went on to say:

... we have heard the representative of the Soviet Union attack the U.S. Army and speak of alleged crimes and acts of terror committed by the U.S. Army. I would like to say to him here that the U.S. Army, which you have sought to smear here today, is the same U.S. Army that stood beside the Russian Army to defeat nazism in World War II. The men in the U.S. Army in Korea today are the sons and the younger brothers, and in some cases they are the same men, who made up the U.S. Army in World War II. The U.S. Army was good enough for you in 1942, 1943, 1944, and 1945. It has not changed. It should be good enough for you now, and would be if your Government's position had not so tragically changed. (For full text, see p. 446.)

At the first plenary meeting of the resumed seventh session, held on March 10, President Lester B. Pearson (Canada) informed the delegates that he had found unanimous support among the members of the General Committee for immediate consideration in plenary session of the Secretary-General's report on personnel policy. Discussion would begin at once if there was no objection to this procedure. No objections were raised, and Mr. Pearson called on Secretary-General Trygve Lie to present his report.

Mr. Lie began his statement by explaining that he had proposed the personnel policy item for the agenda because he believed that the Assembly should consider the situation, particularly with respect to U.S. nationals on the Secretariat. Reviewing his 7 years as Secretary-General, he noted that he had "exercised and firmly defended the political responsibilities that the Charter and organs of the United Nations conferred" upon his office. All U.N. members except the Soviet Union and its satellites

have respected my right as Secretary-General to speak and act as I did, while exercising their own right to support or oppose me either privately or publicly. . . . Because of the stand I took in support of the United Nations action against armed aggression in Korea, these five member governments have refused since 1950 even to recognize me as Secretary-General. For almost 3 years I have

borne with this situation in silence, overlooking the many violations of established procedure that followed. Now, however, I believe the time is appropriate for me to say that this action, in my opinion, is by far the most serious violation of article 100 of the Charter that has occurred. The policy of the Soviet Government and its allies has been, and continues to be, a policy of the crudest form of pressure, not only against me but against any future Secretary-General who may incur the displeasure of the Soviet Union for doing his duty as he sees it under the Charter. It is to a large extent because of this Soviet attitude that I have offered my resignation and requested the General Assembly to appoint my successor during the present session.

Mr. Lie then outlined the problem of the U.N. Secretariat as it relates to the United States, with particular reference to the hearings of the Senate Internal Security Subcommittee. Because of the complexity of the problem, he had appointed a Commission of Jurists to advise him. It was because of his reservations about some aspects of their report that he had not placed it before the Assembly for discussion but had submitted a report of his own.

As the Security Council began its consideration of the appointment of his successor, he concluded, he would say, "God bless your endeavors to find the best person for Secretary-General of the United Nations."

Committee I (Political and Security)—At the opening of the March 6 meeting, Chairman João Carlos Muniz (Brazil) asked the Soviet delegate to convey to his Government and people the Committee's condolences on the death of Joseph Stalin, and at the chairman's request members of the Committee rose for a minute of silence. Andrei Vyshinsky, expressing his gratitude, noted that Stalin had been a founder of the United Nations and declared that the foreign policy he had inspired "has been and continues to be" one of international cooperation.

Continuing debate on the Korean item, Ben C. Limb, representing the Republic of Korea, as an observer, reminded the Committee that the troubles in Korea had not been caused by the Korean people. The war was not the fault of the Republic nor even of "the unfortunate captive people" of the North; the leadership of "the Communist puppet regime in the North" had been identified as being composed primarily of citizens of the Soviet Union, "operating directly under the orders of the Kremlin."

Describing the economic plight of his people, Mr. Limb said, "Our whole population has been reduced to a state of absolute desperation." Reconstruction is badly needed, and needed now. Restoring the means of self-support is "essential to winning the war, for successful battles cannot be fought in the midst of a dying citizenry." He added that "the slow strangulation of a population" was as tragic and final as a deliberate attempt to destroy it.

The representative of the Republic of Korea

paid tribute to the nations and the specialized agencies that had helped his people and are helping them now in relief and rehabilitation. He urged support for the joint draft resolution calling for U.N. aid in "resurrecting" Korea; the record of assistance thus far was "impressive indeed," but the need was ever-growing.

At the March 7 meeting, during which the Committee completed general debate on the Korean question, Valerian A. Zorin (U.S.S.R.) reverted to the theme stressed earlier by Andrei Vyshinsky: that "Syngman Rhee troops," aided and abetted by the United States, had been the real aggressors in Korea. He declared that Ambassador Lodge had not refuted any of the evidence to this effect adduced by the Soviet delegation. The main question, however, was how to put an end to the bloodshed, he went on. The claim that the "just, precise, and simple" Soviet proposals had the hidden aim of using the prisoners of war for purposes of a "political horse-trade" was a "slanderous invention," he declared.

The most important pre-condition for the reconstruction of Korea, according to Mr. Zorin, was an immediate cease-fire and the complete withdrawal of all foreign troops. He concluded: "The Soviet delegation will tirelessly continue to struggle to put an end to this criminal war, because, as was said by the great banner-leader of peace, Generalissimo Stalin, the U.S.S.R. is interested in the liquidation of the war in Korea."

Speaking for the U.S. delegation, Ambassador Lodge enumerated the various forms which aid to Korea had taken thus far. This reconstruction work was only a beginning, but it was symbolic of the collective international concern and responsibility in Korea. He then turned to the Soviet position as revealed in the current debate. Mr. Vyshinsky had admitted practically 95 percent of the "10 facts about Soviet aid to the aggressors"—"a staggering admission of guilt" which had already had an effect on world opinion. (For full text, see p. 443.)

On March 9 the committee adopted the 7-power draft requesting all governments, specialized agencies, and nongovernmental organizations to assist in meeting the needs of the Korean people. An amendment introduced by Egypt and accepted by the sponsors added the phrase, "within the limits of their financial possibilities and in accordance with the provisions of their constitutions and statutes." The vote was 54-5 (Soviet bloc), with no abstentions. A last-minute Soviet proposal to abolish UNCURK was rejected by a vote of 5 (Soviet bloc)-54-0. Mr. Zorin, in introducing the proposal, charged that both UNCURK and UNKRA were subsidiaries of the "U.S. Command." The reconstruction and rehabilitation being carried out under UNKRA auspices were aimed at meeting the military needs of the United States.

Debate on the Greek Armed Forces item began at the afternoon meeting March 9. Alexis Kyrou

(Greece) opened the discussion by paying tribute to efforts of the Secretary-General and the International Committee of the Red Cross to implement the General Assembly resolution which recommended "repatriation of all those detained members of the Greek Armed Forces who expressed the wish to be repatriated." But these efforts had so far been of no avail, he noted, and lately even the rare opportunities originally accorded the detained soldiers to exchange correspondence and receive relief parcels were being suppressed.

The number detained is estimated at about 3,000, Mr. Kyrou went on. The Greek Army General Staff knows the identity of many of these and, in most cases, their whereabouts in Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and the U.S.S.R. He emphasized that the captured soldiers are not prisoners of war and hence the detaining states are obligated under international law to release them. His Government was asking for the repatriation only of those who "freely" expressed the wish to return, Mr. Kyrou pointed out, adding that there should of course be adequate safeguards for this expression.

Victor Belaúnde (Peru) then introduced the Danish-New Zealand-Peruvian draft resolution, which notes the latest ICRC efforts, appeals to the governments concerned for their cooperation, and asks the president of the General Assembly to consult with them to this end and to report back before the close of the present session.

James J. Wadsworth (U.S.) declared that the retention of the Greek soldiers by the Cominform States revealed contemptuous defiance of the General Assembly's will and cynical disregard for humanitarian principles. He observed that in Korea the Communists insisted on forced repatriation but took the opposite stand in this instance, despite the fact that the detained men were not even prisoners of war. The 3-State draft was consistent with the Assembly's moral, humanitarian, and legal attitude, Ambassador Wadsworth concluded, and was also in line with the latest ICRC effort. (For full text, see p. 450.)

In a brief statement on March 12, shortly before the vote which concluded the Committee's work on this item, G. N. Zarubin (U.S.S.R.) asserted that the Greek complaint was completely groundless and intimated that the persons referred to were "political refugees." The real aim of the item, he contended, was the propagation of slanderous attacks on the U.S.S.R.

The vote on the draft, which meanwhile had been slightly amended by Lebanon, was 54-5 (Soviet bloc)-1 (India).

Discussion then turned to the report of the Collective Measures Committee. Speaking for the U.S. delegation, William Sanders said that both the report and the joint draft under consideration, which would continue the Committee's work until the ninth regular session of the General Assembly, were concerned with the defense of peace. The

draft resolution was not directed against anyone; no one who planned to live within the framework of the Charter need fear the Uniting for Peace program.

The need for speed in mustering resistance to sudden attack put a premium on advance planning, Mr. Sanders commented, citing the proposed establishment of an *ad hoc* negotiating committee as an excellent example of a flexible, time-saving plan. The Collective Measures Committee's work had been of great value, and its studies (including the voluntary reserve) should be pursued. Real security must wait until all states were ready to work together to fulfill Charter promises, he concluded; meanwhile, the better the system that is developed, the less likely the need to use it. (For text, see p. 447.)

THE DEPARTMENT

Secretary Dulles' Memorandum on John Carter Vincent

Press release 124 dated March 4

I. Background

Among the inheritances which the present Administration took over from the past Administration is the so-called "Vincent Case."

John Carter Vincent, a Foreign Service officer, with the rank of career minister (the highest rank), has since 1951 been the subject of inquiry and controversy because of his conduct in relation to China and Japan, particularly during the war and postwar period (1941-47).

Charges of disloyalty against Mr. Vincent, made in November 1951, were heard by the Department of State Loyalty Security Board. It unanimously decided that no reasonable doubt existed as to Mr. Vincent's loyalty to the Government of the United States and that his continued employment did not constitute a risk to the Department of State. This decision was twice reconsidered by the Department's Board, to take account of new evidence. In each case the original decision was confirmed. When, however, the matter was reviewed by the Civil Service Loyalty Review Board, it found, by a 3-2 decision rendered December 12, 1952,¹ that there was reasonable doubt as to Mr. Vincent's loyalty to the Government of the United States. Accordingly, the Board recommended that his services should be terminated.

This conclusion of the Loyalty Review Board

¹ BULLETIN Jan. 19, 1953, p. 121.

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was merely advisory to the Secretary of State. The then Secretary set up a special panel to examine the matter again and advise him as to what disposition they thought should be made of the case.²

After I became Secretary of State, I received an inquiry on behalf of the members of the special panel as to whether I wished them to continue to study the case under the mandate they had received from my predecessor in office. In reply I said that I felt it unnecessary for them to continue their advisory study.³ Both law and Executive order placed the ultimate responsibility on me and I saw no way to shed that responsibility.

Since then, I have carefully studied the record with a view to discharging my legal responsibility in a way which will both protect the interests of the United States and do personal justice.

II. Jurisdiction

My jurisdiction in this case stems from three sources:

1. I have authority to terminate Mr. Vincent's services on "security" grounds (Public Law 733, 81st Cong., Aug. 26, 1950).

2. I have authority to terminate Mr. Vincent's services on "loyalty" grounds (Ex. Order 9835, Mar. 21, 1927, as amended by Ex. Order 10241, Apr. 28, 1951).

3. I have authority in my "absolute discretion" to terminate Mr. Vincent's services if I deem this "necessary or advisable in the interest of the United States" (Public Law 495, 82d Cong., July 10, 1952).

III. The Facts

Mr. Vincent served in China almost continuously from 1924 to 1936 in consular capacities or as a Chinese language officer. From 1936 to 1947, except for a short interruption, he served in key positions in China and in Washington in relation to Chinese, Japanese, and Far Eastern matters. During this later period he was largely relied upon by his superiors, notably the President, the Secretary of State, and General Marshall, when he headed a special Presidential mission to China in 1945 and 1946.

Mr. Vincent's part in these matters and his associations during this time are brought out in detail in the records which I have examined. They have led me to conclude that Mr. Vincent's employment as a Foreign Service officer should not be continued.

IV. Reasons

Under Public Law 495 I am not required to give reasons for my decisions under that law. They are a matter of "absolute discretion." However, in view of the public interest which attaches to this case, I feel that I should state:

1. I do not believe the record shows that Mr. Vincent is a "security" risk within the usually accepted meaning of that term and within the meaning which up to now has customarily been given to that term in Public Law 733.

2. I do not find that "on all the evidence, there is reasonable doubt as to the loyalty" of Mr. Vincent to the Government of the United States within the meaning of Executive Order 10241.

3. I have, however, concluded that Mr. Vincent's reporting of the facts, evaluation of the facts, and policy advice during the period under review show a failure to meet the standard which is demanded of a Foreign Service officer of his experience and responsibility at this critical time. I do not believe that he can usefully continue to serve the United States as a Foreign Service officer.

Public Law 495 recognizes the special responsibilities which, at this time of dangerous international tensions, devolve on the Secretary of State and reflects an intent that he should act to safeguard what he, in his discretion, deems the interests of the United States. I believe that that legislative purpose is sound and I am responding to it according to my best judgment.

V. Conclusion

While this memorandum was in course of preparation, I talked with Mr. Vincent and told him generally of my views. Subsequently, Mr. Vincent submitted his resignation as Minister to Morocco and Diplomatic Agent at Tangier and placed in my hands his application for retirement. I am granting his application for retirement effective March 31, 1953.

THE FOREIGN SERVICE

Confirmations

George V. Allen

The Senate on March 11 confirmed George V. Allen as Ambassador to India and to Nepal.

Francis White

The Senate on March 11 confirmed Francis White as Ambassador to Mexico.

² *Ibid.*, p. 122.

³ *Ibid.*, Feb. 9, 1953, p. 241.

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